Daily Report

East Europe

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Bosnians Ask World Court To Lift Arms Ban

AU0104144893 Paris AFP in English 1437 GMT 1 Apr 93

[Text] The Hague, April 1 (AFP)—A case brought by Bosnia-Herzegovina against rump Yugoslavia to end "genocide" in Serb-held parts of Bosnia opened here on Thursday [1 April] before the International Court of Justice.

Legal experts representing Bosnia-Herzegovina asked the court grant urgent measures to stop the bloodletting and enable the Sarajevo government to get military help from abroad, including weapons and manpower.

Attorney Francis Boyle, a professor of American law at the University of Illinois, argued that the 1991 U.N. Security Council resolution banning weapons sales to all the republics of the former Yugoslavia could not be applied to Bosnia-Herzegovina.

The opposing side is expected to raise the same argument on its own behalf when the case proceeds Friday.

Israeli Attorney Shabtai Rosenne, who is representing the Federal Republic of Yugoslavia (FRY) comprising Serbia and Montenegro, said "the main question is the interpretation of the United Nations Charter by the Security Council and the International Court of Justice."

He said Thursday's session was filled with "allegations, none of them new, and our basic intention is to fall back on the law."

Another aspect in the case is the unclear status of the rump Yugoslavia. It has been barred from U.N. General Assembly sittings since last September but it is still listed as a U.N. member, along with Bosnia-Herzegovina and the two other former Yugoslav republics of Slovenia and Croatia.

Rosenne said he also plans to raise the question of whether the world court is legally competent to decide on the issue of genocide.

A memorandum presented to the court by the Bosnian side stated: "Not since the end of the Second World War and the revelations of the horrors of Nazi Germany's 'final solution' has Europe witnessed the utter destruction of a people, for no other reason than they belong to a particular national, ethical, racial and religious group as such."

The world court, which turned down a Belgrade request to delay the opening of the proceedings, is expected to rule in the case next week.

FRY Denies Having 'Single Soldier' in Bosnia

AU0204184593 Paris AFP in English 1834 GMT 2 Apr 93

[Text] The Hague, April 2 (AFP)—The International Court of Justice wound up its hearings Friday [2 April] on the case of Bosnia-Herzegovina versus rump Yugoslavia with Belgrade's lawyer claiming that his side had no role whatsoever in the Bosnian conflict.

Bosnia-Herzegovina has asked the court to order "measures of conservation" that would, on the one hand, stop Yugoslavia "and its allies" from committing "acts of genocide" in Bosnia and, on the other hand, allow it to buy arms on the international market.

A U.N.-imposed embargo prevents Bosnia, along with Yugoslavia, from buying arms at present.

Lawyers for Yugoslavia, now comprising only Serbia and Montenegro, told the court on the second day of hearings Friday that there were "no grounds" for Bosnian claims that Yugoslav Government forces were involved in the war or its atrocities.

"We are not faced with state-to-state aggression, but with a civil war of immense proportion," the Yugoslav charge d'affaires, Ljubinko Zivkovic, told the court.

"The Serbs fighting in the civil war in Bosnia are not the Serbs who come from Serbia itself but Bosnian Serbs," Zivkovic added.

"Yugoslavia does not have a single soldier on the territory of the Republic of Bosnia-Herzegovina.

"Yugoslavia does not support in any way the committing of serious crimes in Bosnia."

Zivkovic told the court that if it granted Bosnia's measures of conservation, "it would only aggravate the civil war."

Court President Sir Robert Yewdall closed the hearing by saying the judges would deliver their verdict "as soon as possible."

Meksi Meets With Bosnian Defense Minister

AU0604093493 Tirana ATA in English 0813 GMT 6 Apr 93

[Text] Tirana, April 6 (ATA)—"I am informed of the essence of the talk you had with Minister Zhulali and your demands are realisable provided more detailed talks will be conducted in the future," the premier of Albania Aleksander Meksi said in his talk with the minister of defense of Bosnia Herzegovina, Bozo Rajic. Minister Rajic made a presentation of the grave and very tragic situation the Bosnian people are actually experiencing. He said that "130 thousand people have been killed, according to official statistics. There is no doubt that this number is greater. Movable is also the fact that 1 million people have left because of the war. We cannot forget those friends who support us in these difficult situations and naturally we are going to develop this friendship in the period of peace," Mr. Bisiq added. Mr. Meksi assured the Bosnian minister of the support of the Albanian Government in these moments. "It is important," he said, "that our contacts be continuous and at all levels."

Biographies of AD Leaders, Presidency Reported

AU0504082093 Tirana ALEANCA in Albanian 5 Mar 93 p 4, 5

[Text] Presidency of the Democratic Alliance.

1. Neritan Ceka—president.
2. Arben Imami—secretary general.
3. Niko Simaku—treasurer.
4. Alfred Pema—member.
5. Arben Demeti—member.
6. Bashkim Ruseti—member.
7. Edmond Trako—member.
8. Gramoz Pashko—member.
9. Idriz Basha—member.
10. Perikli Teta—member.
11. Prec Zogaj—member.
12. Shahin Kadare—member.
13. Teodor Keko—member.

The Assembly of the Democratic Alliance

1. Spartak Ngjela—chairman.
2. Gjergj Zefi—deputy chairman.

Neritan Ceka

Neritan Ceka is 52 years old. He is a supporter of the new Albanian policy, an orator in the first rallies against dictatorship, and a man who intervenes with daring at momentous times. Neritan Ceka has won the sympathy of the Albanian public but the resentment of certain groupings. One of the main Democratic Party leaders, former chairman of the parliamentary group of this party, he resigned in December 1991. He returned to politics in September 1992 invited by his friends in the Democratic Party, who founded the Democratic Alliance [AD] to continue the road along which they started in December 1990.

He was born in Tirana of an intellectual family. His grandfather, Hysni Ceka, belonged to Naim Frasheri circle in Istanbul and was among the initiators for opening Albanian schools in the villages. His father Hasan Ceka is the foremost Albanian archaeologist, and from him Neritan inherited the profession, making archaeological excavations in Tropoje, Elbasan, Belsh, Apoloni, Bylis, Butrint, Himare, etc. By zealously studying ancient Albanian culture, he has prepared and published dozens of scientific articles and several books, such as "Apoloni of Illyria" in 1982, "The Illyrian City Near the Lower Selce" in 1985, "The Beginnings of the Illyrian City" in 1992, and "Archaeology" in 1993. In the framework of the governmental "reform" in the Academy of Sciences, he was recently discharged from the post of director of the Archaeological Researches Institute.

The first meeting of the AD Assembly elected him president with two-thirds of the secret votes, with Mr. Spartak Ngjela as an alternative candidate.

Spartak Ngjela

Spartak Ngjela is 45 years old and was born in Tirana. He obtained a diploma in jurisprudence at Tirana University in 1970. During the last two years he has written in almost all opposition newspapers. He was not a member of any political party before. Meanwhile, he is working as an attorney and has a legal practice, as a judicial person under the name International Advisers, which he heads as its president.

He was elected chairman of the AD National Assembly, with Alfred Pema as an alternative candidate.

Arben Imami

Arben Imami is 35 years old. He was the first Albanian who had the honor to proclaim the creation of the Democratic Party, the first opposition party in Albania, and its basic program in the square that today bears the name "Demokracia" [Democracy] before thousands of students and other citizens. He is one of the most active former leaders of the Democratic Party and the people's revolt against dictatorship. He is one of the initiators of the "Motion" presented in the 5 August meeting of the Democratic Party National Council, which preceded the creation of the Democratic Alliance Party. Arben Imami was born and educated in Tirana. After graduating from the High Institute of Arts, he worked as an actor and assistant director in the People's Theater. Since 1985 he has been working as a teacher in the High Institute of Arts. He was elected deputy in the last two People's Assembly legislatures. He is a student and expert in domestic and world legislation.

By a majority of votes the first meeting of the Assembly elected Arben Imami as AD secretary general, as his alternative candidate Mr. Prec Zogaj invited his supporters to vote for Imami.

Daily Reports Alleged Attempt To Breach Embargo

AU0204155293 Sofia BTA in English 0818 GMT 2 Apr 93

[From BTA press review]

[Text] STANDART NEWS front-pages a dispatch by its correspondent in Burgas (on the Black sea), who reports that a classified investigation detected an attempt to bust the embargo against Serbia and Montenegro. For more than a month now, investigators have been trying to trace the origin of 12,550 metric tonnes of hot-rolled sheet in coils, carried on board the Cypriot-flagged ship "Adventure." The Serbian-made sheet was bound for China on a faked certificate from the Macedonian Economic Chamber. The investigation has found material evidence of a violation. The ship was arrested on February 18 and has remained in the port of Burgas. The deal will fall through, but it is unclear who will pay the 240,000 U.S. dollars due in damages. A foreign embassy brought the case to the notice of the UN Sanctions Committee. Other dailies also report the case.

Tugboat Caught Carrying 'Embargoed Product'

AU0604083293 Sofia BTA in English 1939 GMT 5 Apr 93

[Text] Vidin, April 5 (BTA)—The tugboat Khan Kubrat with six barges carrying 6,000 tonnes of oil each, was stopped for a check near Vidin at kilometer 782 upstream the Danube River at 5 P.M. local time, BTA's correspondent learned from an official source. The tugboat is owned by Danubian Dredge Fleet LTD. Based in Vidin. A Bulgarian company has chartered the vessels from the Bulgarian river shipping company in Ruse. The shipment is to be delivered to the Czech Republic according to the documents.

Representatives of the State Shipping Inspectorate, the Vidin customs authorities and border guards found the convoy was carrying an embargoed product whose transiting through Serbian territorial waters is banned. The convoy will be at berth until the documents and the shipment's destination are checked.

Slatinski on Relations With Balkan Countries

AU0204173193 Sofia BTA in English 1139 GMT 2 Apr 92

[Text] Sofia, April 2 (BTA)—Bulgarian politicians belonging to different parties have been recently reviewing Bulgaria's Balkan policy.

In an article contributed to today's STANDART NEWS, Mr. Nikolay Slatinski MP of the Union of Democratic Forces (SDS), chairman of the National Assembly Standing Committee on National Security, discusses Bulgaria's relations with each Balkan state.

Mr. Slatinski expresses the view that this country has no clear concept of its relations with and policy towards Macedonia: "Bulgaria keeps wavering between two extremes: overemotionality and demonstrative indifference." In his opinion, after Bulgaria became the first state to recognize Macedonia's independence and sovereignty, the chief concern of Bulgarian foreign policy towards that country should be the turning of Macedonia into a state subject of international law and its detachment from the "disintegrating Yugoslav space." Mr. Slatinski warns that Serbian, Greek and Muslim capital is taking hold in Macedonia, paving the way for political influences as well. Mr. Slatinski blames the West for simply applying a double standard in its treatment of Macedonia.

The instability of relations with Greece, which, in Mr. Slatinski's words, is becoming "chronic," does no credit to Bulgaria, he writes. The author recalls that Greece is the only Balkan country which is a member of the European Community, NATO and the WEU and that an enormous part of the programmes and funds earmarked for Sofia will be channelled via Athens. It is not accidental that Bulgaria and Greece hold similar views on a number of matters. This is the consequence of shared concerns and shared interests, Mr. Slatinski writes. Politicians of the BSP [Bulgarian Socialist Party] also often declare themselves in favour of a steady promotion of bilateral relations with Greece.

"The democratic changes in Turkey and its strategic importance in the region inspire undisputable respect," Mr. Slatinski writes, noting that the Bulgarian policy towards Turkey should be realistic and free of "complexes and aberrations." At the same time, Mr. Slatinski believes that the "valuable military documents" signed between Bulgaria and Turkey remain a symbol of good-neighbourliness—just as Turkey's huge military capability remains in eastern Thrace (close to the Bulgarian border).

Concerning Romania, he indicates that "The Dobrudzha gives Bulgaria causes for worry" (referring to an area partitioned between Bulgaria and Romania), and with good reason, bearing in mind the inevitable unification of Romania with Moldova. At the same time, however, Bulgaria ignores the "huge Romanian spending on foreign policy," Mr. Slatinski points out.

Mr. Slatinski has reservations about the great powers' Balkan policy. "Events in this part of the world should be evaluated objectively, rather than the way the West sees and evaluates them: in Bosnia there can be talk of less guilty and more guilty parties, but not of a single, villainous culprit," Mr. Slatinski says. In his view, "by condemning the atrocities of the Serbian nationalists and their Belgrade instigators," Bulgarian politicians should also awake to the "suffering and aspirations of the Serbian people, akin to the Bulgarian people in ethnicity, religion and culture."

Politicians of the Bulgarian Socialist (ex-Communist) Party have also made statements calling for an end to confrontation and establishing contacts with Serbia. Addressing the Socialists' national conference at the end of last week, their former leader Aleksandur Lilov, considered to be the party's strategist, made a special point of rapprochement with Serbia.

Mr. Slatinski, just as Mr. Lilov, has certain fears about the possibility of Bulgaria being turned into a buffer zone country "between the rich north and the rich south and between Catholic Europe and an advancing Islam."

In his article Mr. Slatinski raises the question of the Bulgarian population in the other Balkan countries. In his opinion, Bulgaria should take a stand on the respect for the civil rights of Bulgarians living abroad.

Cooperation in Combating Drug Abuse Confirmed

AU0304153293 Sofia BTA in English 1658 GMT 2 Apr 93

[Text] Vienna, April 2 (BTA)—Aleksandrina Nencheva, chief of the National Narcotics Service, addressed the 36th Session of the UN Commission on Narcotic Drugs here today. The deputy leader of the Bulgarian delegation focused on Bulgaria's cooperation with the international narcotics control board, the Bulgarian Foreign Ministry said.

Mrs. Nencheva highly commended the interaction between the board and the competent Bulgarian authorities in the enforcement of international narcotics conventions signed by Bulgaria. It was stated that having signed the Psychotropic Substances Convention of 1988, Bulgaria is already a side to all international narcotics conventions.

Mrs. Nencheva stressed that in March Bulgaria banned the production, import, storage and processing of amphetamines and drugs made from them, for which it was praised by the International Narcotics Control Board. This proves Bulgaria is ready to take active part in international efforts against drug abuse and drug trafficking, she said.

Greek Military Delegation Arrives

AU0604084493 Sofia BTA in English 1909 GMT 5 Apr 93

["Today" —BTA lead]

[Excerpts] Sofia, April 5 (BTA)—Deputy Foreign Minister Dimitur Ikonomov, who is on a working visit to Vienna, has met Dr. Wolfgang Schallenberg, general secretary of the Austrian Foreign Ministry, and other Foreign Ministry senior officials. They discussed bilateral cooperation and the situation in the Balkans, as well as the WEU [Western European Union] initiative for stricter control on UN sanctions enforcement against Serbia and Montenegro on the Danube River.

Brigadier-General Ioannis Ioias [name as received] and a group of military officers of the headquarters of the Greek Land Forces arrived here today. The delegation is visiting this country under the programme for cooperation between the Bulgarian Defense Ministry and the Bulgarian General Staff and the Greek Defense Ministry. Until April 9, the guests will be visiting units of the Bulgarian Land Forces to exchange experience in mobilization training, the Press Office of the Defense Ministry said.

"President Zhelev's conviction that the Union of Democratic Forces [SDS] will win future elections to become a basis for stable government is not supported by the results of opinion polls which portend a serious defeat for the SDS," said Zhan Videnov, leader of the Bulgarian Socialist Party, BTA's correspondent reported from Plovdiv. His comment at a press conference in Plovdiv was provoked by Dr. Zhelev's statement favouring the SDS at a meeting with residents of Stamboliyski, a town in Plovdiv region, last Friday [2 April]. According to Videnov, this statement contradicts the president's view voiced repeatedly since last August that the SDS confrontation and position-of-strength policy has no future. Relations between the president and the SDS have been strained since August, when Dr. Zhelev criticized the SDS government's policies at a press conference. Recently the SDS called on President Zhelev to resign.

Aleksandur Karadimov M.P. of the SDS also commented on Dr. Zhelev's statement. "I believe such statements prove the futility of his efforts to set up a presidential party or coalition," Karadimov told BTA's correspondent in Plovdiv today.

At a press conference today in connection with the end of the cabinet's 100 days, Milan Drenchev, leader of the Center for Agrarian Movements' Unification, criticized the cabinet for stalling the land reform and failing to solve problems in stock-breeding. The center initially supported the cabinet headed by Prof. Berov.

The leaders of the extraparliamentary Bulgarian Social Democratic Party today expressed concern over the progress and the future of the land reform. According to them, the land reform has run into difficulties due to the incompetence of the last few governments. The Social Democrats are against saddling the present cabinet with the entire responsibility. The Social Democrats assessed positively the cabinet's policy in defence of the national interests. [passage omitted]

Pig-breeders from Ruse went on a relay hunger strike today in front of the building of the Presidency in Sofia, the Regional Council of the Podkrepa Labor Confederation told the press, according to a report from BTA's correspondent in Ruse. The protesters were reported to have brought three hungry pigs. Last week pig-breeders, bringing along starving pigs, staged protest actions before the buildings of the Council of Ministers and parliament.

10,000 Bulgarian policemen are on strike alert, Captain Emil Rashev, president of the Police Trade Union, told the press today. They will take nationwide protest action unless the government raises their salaries 47 per cent until April 19. The average monthly salary in the police is 2,000 leva (about 80 dollars). [passage omitted]

Kozloduy Reports on Production Levels

AU0504155793 Sofia BTA in English 1429 GMT 5 Apr 93

[Text] Kozloduy, April 5 (BTA)—The Kozloduy Nuclear Power Plant reduced its output at the request of the Power Generation Distribution Center due to a drop in industrial and household consumption. Of the five operating units, only the 440-MW Unit Four is operating at full capacity. The 1,000-MW Unit Six is utilizing 85 per cent of its capacity. Units Two, Three and Five, whose total capacity is 1,880 MW, are utilizing half of it. The idle turbines are undergoing routine repairs. The plant will sustain losses due to the drop in its output. In the next few months, however, it will have to work at reduced capacity, according to experts.

Kozloduy's Public Relations Officer Yordanka Stoyanova told BTA that experts of the International Atomic Energy Agency will visit the plant within the framework of the Osart mission in late April. They will inspect the 440-MW Unit Two after its reconstruction intended to upgrade its nuclear safety, as well as unit one, which is undergoing a similar reconstruction. Unit one will be on line in early September.

No Bulgarian Involvement in Pope Murder Attempt

AU0304154293 Sofia BTA in English 1151 GMT 2 Apr 93

[Text] Sofia, April 2 (BTA)—Addressing parliament today, Interior Minister Viktor Mikhaylov said that neither the Bulgarian special services nor Bulgarian citizens were involved in the attempt on the life of Pope John Paul II in 1981. He reminded that the Bulgarian and the Italian investigation authorities had not discovered evidence proving beyond any doubt the involvement of Bulgarians in the papal kill bid.

Interior Minister Mikhaylov was invited to comment on the question by Socialist MP Aleksandur Tomov, ex-deputy prime minister in Dimitur Popov's cabinet (December 1990-autumn of 1991). He reminded that a special commission appointed by the Council of Ministers at the end of 1991 had analysed in detail the activity of the former State Security, exploring the possibility of Bulgarians working for the secret services having had a hand in the attempt on the life of the pope; however, the commission's report was not published, and later on ex-Prime Minister Filip Dimitrov admitted that Bulgaria might have been involved in the kill bid.

The investigative proceedings were reopened after some publications appeared in the press in 1991. Part of the investigation was carried out jointly with representatives of the Italy's investigation authorities and prosecuting magistracy. The Bulgarian and Italian investigators were unanimous that those publications had been an unscrupulously manipulation with untrue facts, the Bulgarian interior minister said.

Availing themselves of the reopening of investigative proceedings and of their contacts with the Italian investigation authorities and the Italian prosecuting magistracy, the Bulgarian investigation authorities set themselves the task to check up the thoroughness and objectivity of the evidence collected by the Bulgarian examining magistrates during the initial investigation.

The analysis of old and newly found facts after a year's work give ground to come to the conclusion that neither Bulgaria nor any Bulgarian citizens or official institutions were involved in the preparations for the kill bid or in the kill bid itself, Mr. Mikhaylov told parliament. This is a conclusion supported by the formal and informal statements of Italian, French, American, Russian and other officials are related in some way to the investigation of the case, he said. The investigation established that during his stay in Bulgaria Ali Agca had never contacted any official Bulgarian institutions or persons.

The documents which the Italian side was interested in were handed over to the Italian judiciary, and the Italian investigation authorities presented to the Bulgarian investigation service documents amounting to 200,000 pages.

The papers surveyed during the investigative proceedings follow their logical course in compliance with the regulations for handling classified documents, which gives ground to conclude that none have been destroyed, Minister Mikhaylov said.

Aleksandur Tomov invited the president to make an official statement on the matter.

Klaus Discusses Slovak Property Issues

AU0504155093 Prague CESKY DENIK in Czech 2 Apr 93 pp 1, 13

[Article by Prime Minister Vaclav Klaus: "The Missing Marriage Contract"]

[Text] An ancient custom is observed in Israel to this day whereby a divorce agreement is signed during the wedding ceremony before witnesses. In 1918 we failed to sign such an agreement and now we miss it terribly. The Czech side did everything it could for such an agreement to be signed, at least retrospectively, in the final days of 1992. Such an agreement had been prepared, approved by the Czech Government, and initialed by the Slovak minister of finance before Christmas. We expected the agreement to be signed by the end of the year, but the Slovak side ceased to show interest, and the signing came to nothing.

I am not naive and realize that one's own interest is dominant in politics, rather than altruism or good and noble intentions. It is therefore only logical that the Slovak side, with its immensely reduced room for maneuver in the domestic political and economic spheres, is not keen on signing this missing marriage contract and keeps waiting or deals only with matters that are in its own interest and that bring it some advantage. This puts the Czech side into an extremely unfavorable position; it can wait and hope that something will happen after all, or it can generously wave its hand and say that we lost more in the past (which the Czech petty bourgeois inside us could hardly stomach), or it can pressure the Slovak side toward serious negotiations by some unilateral steps, not many of which are available to us.

The Czech side first waited, then it initiated talks on the currency division and carried it out. Thereafter it waited again and then decided to suspend the issue of shares from the first wave of coupon privatization to the holders of investment coupons. The reaction was a flat refusal and feigned incomprehension.

Let us therefore differentiate between two things—the handing over of shares from coupon privatization in the new situation arising from the division of the state and the search for a global agreement on property settlement.

The first thing is immensely complicated and ambivalent and no rational arguments used by one side will convince the other side. Acquiring shares for coupons is something different from buying shares for money and the division of the state therefore undeniably changes the original conditions and hence makes it necessary to address this problem in a new way. Yet at the same time it is true that the entire first wave of coupon privatization took place under clearly defined conditions and no individual holder of investment coupons (or privatization investment fund) had been warned by the politicians that he might be making a mistake by investing his coupons in the other republic. According to this logic, nothing can be done about this any longer and one cannot but issue the shares. The Czech side, and I would like to stress this, has endorsed neither the first nor the second alternative but has merely suspended the issue of shares with the aim of making the Slovak Government negotiate.

The Slovak side has not responded constructively as yet and remains silent. We badly need to conclude negotiations on

—the assets and liabilities of the former Czechoslovak State Bank,
—the settlement of our foreign debt,
—the settlement of the state budget of the federation for 1992,
—the transit gas pipeline and a few other similar outstanding problems.

I would like to emphasize that we need to conclude negotiations and not immediately receive so and so many billions of korunas, which, as we well know, Slovakia does not at present have.

One matter is the attitude of the Slovak side and another matter is our domestic, Czech fifth column, to which everything comes in handy that allows it to criticize the present Czech Government. After the decision to suspend the issue of shares acquired for coupons, the very people (Mr. Rychetsky) who criticize the Czech Government for its softness toward the Slovak Government have accused it of an act of "international piracy" and of blackmailing Slovakia. In my address to mark the 600th anniversary of the death of the martyr Jan Nepomucky, I appealed for unity and true Czech patriotism, for unity in action rather than division by cheap words. For myself, I have to say that it took me a very long time to decide to suspend the issue of shares. For several months I have been toning down far stronger words coming from the other parties in the government coalition (particularly the Civic Democratic Alliance and the Christian Democratic Party), and I decided to agree to the suspension only when there were no other options left.

Should the Slovak side show no readiness to negotiate even now, the only options left would be either the aforementioned Czech generosity and concentration on other, positive activities, or the search for other means to shake the Slovak side out of its slumbers, measures which would cause an escalation that I definitely would not like to live to see. Let us not deprive ourselves of the velvet nature of our divorce, which can be attained only by another round of serious negotiations.

CSFR's 1992 Balance of Payments Detailed

AU0504132793 Prague HOSPODARSKE NOVINY in Czech 2 Apr 93 p 9

[Article by Jiri Pospisil, member of the Czech National Bank Banking Council: "Balance of External Relations; Basic Trends in the Czechoslovak Federation's Balance of Payments in 1992"]

[Text] The external performance of an economy (cumulatively measured in terms of the balance of payments) comprises not only trade in goods (cumulatively expressed by surplus or deficit in the balance of trade)

and services (cumulatively expressed in the balance of services) but also other items expressing monetary and capital flows between the economy in question and the "rest of the world." In order to evaluate the external performance of an economy over a period of time, it is necessary to assess the development of all components of the balance of payments.

The balance of payments for 1992 ended in an equilibrium; the balance of payments in convertible currencies (which represents the absolutely decisive portion of the balance of payments as 97.7 percent of total foreign trade turnover is effected in convertible currencies) ended in a moderate surplus totalling $226 million. The final result of the balance of payments and its development in the course of the year were influenced chiefly by the following key factors:

1. External conditions of economic development: These included, above all, the continuing recession in the OECD countries (which even led in the course of the year to measures restricting imports of some traditional Czechoslovak export commodities on the part of some EC countries) and the continuing economic decline in countries of the former CEMA (our foreign trade turnover with these countries declined further, with the exception of trade with Hungary).

2. The continuing adaptation of the Czechoslovak economy and the changes in the structure of the gross domestic product [GDP]: The external situation and the loss of traditional markets affected, above all, engineering and other industrial branches, the products of which are more difficult to redirect to more demanding markets. The situation was aggravated also by the preprivatization stagnation in these industrial branches. Export expansion was therefore registered in traditional export branches (glass, ceramics, some types of food industry products) and in branches exporting products with low added value. Apart from this, however, there has been a marked increase in the contribution of services, particularly tourism and transportation, to the external performance of our economy, which was reflected in their growing share in GDP.

3. The growth of investment activity and imports in some parts of the economy: This concerned, above all, investments into rapidly developing enterprises and investments following up on the accelerating pace of privatization, which found expression in the domestic economy in the growth of construction activity in the course of the year.

4. Economic organizations' expectations associated with preparations for the introduction of a new system of taxation (and new customs tariffs) and with preparations for the partition of the Czechoslovak Federation: These expectations, which intensified in the course of the year, led, particularly in the second half of the year, to a rapid rise in imports and accelerated payments abroad, and, as a result, to a drop in the currency reserves of the Czechoslovak State Bank [SBCS]. The above expectations also slowed down the influx of foreign capital in the fourth quarter of 1992.

The aforementioned influences overlapped in the course of the year, which complicates the assessment of the overall development of the external performance of our economy.

Most attention has thus far been devoted to the development of the balance of trade. This was in a certain way justified as the bulk of our revenues in convertible currencies, for example, was generated by the export of merchandise.

On the other hand, it is necessary to take note of the declining share of revenues in convertible currencies stemming from exports in total revenues in convertible currencies. When we look at overall revenues in convertible currencies from the export of goods and services, we see that the share of revenues from the export of goods declined from approximately 78 percent in 1990 to 73 percent in 1992. If we took into consideration other items of the current account of the balance of payments, we would see that the share of exports in the aggregate convertible currency revenues of the current account dropped from 81.6 percent at the end of 1990 to 69.6 percent at the end of 1992. This development occurred simultaneously with a massive rise in exports in convertible currencies (a 39 percent increase in 1991 and a 35 percent increase in 1992).

Balance of Trade Deficit

The balance of trade ended in a deficit of $1.9 billion. Of this, the balance of trade deficit in convertible currencies represented $1.6 billion; the rest was accounted for by deficit in nonconvertible currencies from the import of natural gas, by means of which Czechoslovak assets are being repaid that stem from a government credit extended to finance the construction of the gas pipeline [on the territory of the former Soviet Union]. The rate of export growth declined in July, was stagnant in the third quarter of the year, and increased again in the fourth quarter (by 12 percent compared with the second quarter). This development reflected, on the one hand, the dynamic growth of our exports in the first half of the year in response to the concluded association treaty [with the EC] and, on the other hand, the introduction by the EC of punitive measures against exports of our steel and steel products in the second half of the year.

The decisive factor influencing the balance of trade deficit was the massive rise in imports in the second half of 1992 (this rise reached its peak in December, which confirms that it was substantially motivated by speculations about the introduction of the new system of taxation and about the upcoming division of the state). Had it not been for these influences, the balance of trade would have probably ended in equilibrium or in only a slight deficit.

In defiance of a complex situation caused by worldwide economic recession, a further important shift was made last year in the reorientation of our exports toward states with market economies. Their share of our exports increased to 74 percent, while their share in our total imports increased to 68 percent. On the other hand, the share of the states of the former Soviet Union in the total foreign trade turnover of the Czechoslovak Federation declined from 24.6 percent in 1991 to 18 percent in 1992.

Despite this favorable development from the viewpoint of the export structure, the potential to increase exports has far from been exhausted. The progress in the privatization of foreign trade (the share of private companies in exports increased from 35 percent to 59 percent and in imports from 43 percent to 61 percent) opens the way for further export expansion. Export expansion should also be significantly assisted by the progress of privatization in industry.

The expansion of state support for exports beyond the framework of the existing institutions and activities is also becoming inevitable in this phase.

Surplus in the Balance of Services

In evaluating the external performance of the Czechoslovak (and now the Czech) economy, scant attention has thus far been devoted to the growing contribution of services. This is paradoxical as critics of the economic performance and structure of our economy have repeatedly pointed to the shortage of services and their understaffing and predicted a considerable expansion of this sphere. It seems that these predictions are now coming true in a positive sense; results confirm a rapidly growing share of services in the external performance of, above all, the Czech economy.

The balance of services for 1992 ended with a large surplus of $1.65 billion, which significantly contributed to the surplus in the current account of the balance of payments recorded in 1992. The surplus in the balance of services resulted, above all, from revenues from tourism, which exceeded expenditures on tourism two times, and from revenues from transport services (revenues from, and expenditures on, the other services of commercial and noncommercial nature were roughly in balance).

The number of foreign visitors reached the record figure of 83.5 million in 1992, which was a 28.8 percent increase over 1991. Compared with 1990, income from tourism in convertible currencies increased almost fourfold.

Total revenues from tourism can be estimated at $1.4 billion, which represents a $0.5 billion increase over 1991. The Czech Republic accounted for roughly 85 percent of total revenues from tourism (that is, approximately $1.1 billion). On the other hand, Czechoslovak citizens spent some $670 million abroad, of which citizens of the Czech Republic spent approximately $470 million. Revenues and payments with respect to other commercial and noncommercial services were in balance.

The balance of yields [bilance vynosu] was also in equilibrium; it reflected interest payments abroad, which exceeded revenues by $240 million, compensated for by sums acquired by citizens for work abroad (about $250 million). These resources influenced the level of foreign exchange accounts ($1.677 billion as of 31 December 1992) and also the level of noncommercial imports (for example, imports of passenger cars increased especially in the closing weeks of the year, following a temporary decline of interest rates earlier in the year; a total of 107,800 passenger cars worth $200 million were imported in 1992).

The last item on the current account are transfers. Their net inflow in convertible currencies represented $140 million. The surplus in this item was accounted for, to a decisive degree, by non-refundable assistance received on the basis of multilateral programs of technical assistance (PHARE) and bilateral agreements with OECD states. The G-24 states have thus far appropriated for these purposes some $800 million for the entire federation. Since most of these programs are long-term programs, only a small part of the appropriated sum has been drawn thus far.

The capital account for 1992 was essentially in balance, with the net inflow of capital amounting to $41 million.

Inflow of Long-Term Capital

The influx of direct foreign investment to the territory of the former CSFR reached the sum of $1.72 billion by the end of 1992, of which the territory of the Czech Republic accounted for $1.56 billion. The increment for the past year represented approximately $1 billion. Most large investments (with the exception of the Volkswagen-Skoda joint venture) were effected in 1992, mostly in the first half of the year. It can be expected that, with the division of the federation over, there will be a further increase in direct investments this year.

Resources worth a total of $897 million were acquired from international institutions and governments. These loans were drawn in the first half of the year. Their volume did not substantially increase in the third quarter of the year because the development of foreign exchange reserves did not require this. For this reason the CSFR did not draw the third and fourth installments of a $200 million "standby" credit from the IMF.

Concurrently with the inflow of, in particular, long-term capital, there has been a further increase in the assets and a reduction of the liabilities of the banking system abroad by a total of approximately $1.4 billion (which is a more distinct reduction than in 1991 when a change by

$2.3 billion occurred) [sentence as published]. Movements of private capital improved the commercial banks' currency position and liquidity in relation to foreign countries.

Total capital movements continued to improve in 1992 as did the structure of the foreign exchange position and the foreign exchange liquidity. The proportion of short-term assets increased from 57 percent to 61 percent while 80 percent of liabilities were long-term commitments.

Our overdue claims abroad are a perennial problem. Their level increased to $2.981 billion. The claims date back to the pre-1990 period.

In view of the overall equilibrium in the balance of payments, the Czechoslovak Federation's level of gross indebtedness did not change significantly. It reached the sum of $9.5 billion, compared with $9.4 billion at the beginning of the year. This represents the highly acceptable level of approximately 62 percent of the annual export of goods and services in convertible currencies. The Czech Republic accounts for approximately $6.9 billion of the gross debt. The debt servicing of medium-term and long-term credits represented only 11.7 percent of the annual export of goods and services in convertible currencies.

The foreign exchange reserves developed extremely favorably throughout the first half of the year, in conjunction with the development of the current and capital accounts. On 20 June the SBCS's foreign exchange reserves amounted to $2.152 billion, which was $800 million more than at the beginning of the year and a level sufficient to cover almost three months worth of imports. The aforementioned factors resulted in a drop of the SBCS's foreign exchange reserves to $1.231 billion by the end of the year. The decline of the foreign exchange reserves of the banking system was halted by the division of the state. The currency split also halted the decline of the central bank's foreign exchange reserves.

Conclusions

The following basic conclusions can be drawn from the results of the balance of payments in 1992:

—the results are favorable (considering the external and internal economic and political developments, one can even say that they are very favorable);
—although the potential for export growth has not been exhausted, a high growth rate of exports and a rapid change of their territorial structure were maintained under difficult conditions;
—the balance of trade deficit was associated, in particular, with the growth of imports in the second half of the year as an expression of fears stemming from the division of the state and the expected impact of changes in the taxation system. The data available suggest that this was an extraordinary deviation [from the general trend]; a similar development was registered in the second half of 1990 [in anticipation of the liberalization of prices and the devaluation of the koruna];
—the surplus in the balance of services, which fully offset the deficit in the balance of trade, demonstrates the growing importance of services for the external performance of, above all, the Czech economy;
—the level of state debt did not change and remains at a very low level by international standards;
—the development of direct investments, the influx of which virtually doubled compared with 1991, confirmed the attractiveness of the Czech Republic for foreign capital; another positive change was that, compared with 1991, long-term capital and, above all, direct private investments represented the decisive share of capital inflows.
—after the elimination of insecurity associated with the division of the state, the foreign exchange reserves of the banking system have stabilized and, after the currency split, so have the foreign exchange reserves of the Czech National Bank.

U.S. Vice Consul Comments on Consulate Bugging

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[Text] Bratislava April 5 (CTK)—The bugging device, uncovered in the building of the then Bratislava-based U.S. consulate (now the U.S. Embassy in Slovakia) by the staff last Autumn, was in operation at the time of its disclosure, the U.S. vice-consul in Slovakia, Richard Polka, says today in an interview for the east Slovak daily "SLOVENSKY VYCHOD".

Slovak official representatives told the Americans that the case had been closed and that Slovakia had nothing in common with the bugging, Polka says. The American representatives repeated that they had found several evidences that the bug had been in operation (at the time discussed). The Slovaks responded that it could not be in operation, according to their documents, the daily quotes Polka as saying.

Polka adds that U.S. bodies are not sure if other bugging devices are not located in the embassy building. Not even experts can say that everything is all right, he stresses in the interview.

Polka says that the then U.S. ambassador to Czechoslovakia, Adrian A. Basora and later also the U.S. charge d'affaires in Slovakia discussed the issue with both Slovak Premier Vladimir Meciar and Interior Minister Jozef Tuchyna. At the meetings, the U.S. side emphasised several times that it expected to be given a final report, Polka says in "SLOVENSKY VYCHOD".

Meciar Answers Questons at Press Conference

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[Excerpts from a news conference by Prime Minister Meciar in Trnava on 27 March]

[Text] After the first day of the For a Democratic Slovakia Movement assembly in Trnava, Vladimir Meciar gave a news conference. He said that the assembly had a working character and there had been no sensations. At the assembly they discussed pragmatic solutions regarding the transformation of social mechanisms. Meciar briefed the reporters on the short-term and long-term intentions of the movement.

[Unidentified reporter] Prime Minister, at its first meeting since the elections, the government agreed to contribute their salary increase approved by the previous government to humanitarian causes. After the calculation at the end of last year—which we have had a chance to see—several ministers (if I am not mistaken, they were Ministers Hofabauer, Sobona, and Zlocha) did not contribute more than 5,000 [Slovak korunas], which is, as far as I know, the increase for one month....

[Meciar] The government has resolved the following: First, the existing expense allowances [nahrady] have not been increased, and, although the Slovak Government has lower salaries than the Czech Government, we have not raised them at all. These we have left untouched. We had the right to increase payments [davky], but we have not done that either. Third, we had two alternatives. One was to lower our salaries and return [the difference] to the state coffers. Some ministers—who had more money as private citizens than as members of the government—were against this. The second alternative was to direct [the funds] to the people who need them, and publish the fact, making it open to public scrutiny.

[Repo[illegible] Prime Minister, does the new For a Democratic Slovakia Movement program include the For a Democratic Slovakia Movement's attitude toward the mass media?

[Meciar] There are one or two sentences on this subject, but this subject is not analyzed in a separate section. You know, this always involves relations between two sides. There are differences among you, too. You want to become independent of the state, but then you will become dependent on someone else. Everywhere in the world there are one or two main newspapers and a number of smaller ones. In our country there are too many main newspapers. Every one wants to be a main one. It is necessary to differentiate. The period in which the number of newspapers is being reduced by natural selection is not over yet.

To present it in a certain way, we have adopted a principle. [sentence as published]. The Slovak Ministry of Culture is to meet on Wednesday [31 March] with the publishers. The minister of transportation and communications and other officials are expected to be there. They should discuss it. You want to be independent—well, if we contribute, then you will feel that you are being compromised. We do not want to compromise you, and this is why we are not going to give you anything. Then, there was a suggestion that we should not give directly to the publishers, but indirectly through subsidies to services and such. This is all the same rubbish. We cannot give indiscriminately to everyone. We are looking for solutions. Newspapers must exist and make their living. Politicians do not have to exist. There will always be something to write about.

[Reporter] Prime Minister, how many of the former Federal Security and Information Service employees will there be in the Slovak Information Service?

[Meciar] None.

[Reporter] To what extent are you able to ensure—as prime minister —that our investment coupon holders will not lose their money in Czech enterprises? As far as the division of the Czechoslovak Airlines is concerned, when was it finally signed? There was a certain dispute between Mr. Hofbauer and Dzurinda in the Slovak Parliament.

[Meciar] Dzurinda does not want to admit many things, since he is a positive type. A positive type does not like to see himself playing a negative role. Many things that should have been signed were not signed. Of course, as regards the investment coupon holders this problem does not apply only to Slovak holders, but to Czech holders, too. Here we have a situation in which the Czech side has applied an indecisive strategy. The [Czech] Government induced coupon holders into turning against us, since we are to blame for not having met our international obligations, and this is why coupon holders will not receive their share of property. However, who has been damaged? Czech citizens, not Slovak citizens—that is, not only Slovak citizens. We understand it as a sort of pressure applied on the Slovak Government. Now, what is a Slovak citizen going to do when he hears the Slovak side saying that it will not discuss under pressure, that it will not hold talks as long as coupon holders do not get their shares? Will he turn to us to satisfy his financial claims? No. Why are they doing that? We can recommend and provide legal and material protection to our coupon holders, so that they might use regular legal measures to claim their property in the Czech state. This is one of the possibilities. There also are other alternatives. Mr. Klaus spoke about 16 moves, and I am saying that a chess-board has 64 squares. I am not going to be ahead of the development. This development could become interesting, however.

[Reporter] Prime Minister, what would happen if the president did not sign your proposal for Mr. Lexa's appointment.

[Meciar] There will be a new [candidate], and there is already a substitute. Every member of the government has his own substitute. Some of them even know them. I also have a substitute.

[Reporter] Who is your substitute?

[Meciar] He knows it, and I know it.

[Reporter] What if other parliamentary parties decided that they would not support your idea of filling the post in the highest control body with your own man, and offering those parties only deputy chairmen in this body?

[Meciar] Look, this will not change the work of the control body much, since there is a commissioner in charge of this office. Of course, this would delay the establishment of this body by a month or two. A reasonable agreement must be reached. Well, I believe that we will reach a reasonable and realistic agreement. At least one of the parties will support it. This will depend on who will become deputy chairman. If I told you his name, you would say that I am right.

[Reporter] In 1992 you mentioned the expertise of L. Cernak. Now you say that the change in the post of the Minister of Economy was not that bad. Am I to understand that your opinion on the qualifications of Mr. Cernak has changed since he became minister of economy?

[Meciar] No, it has not changed. But you have to consider that everyone is undergoing a certain evolution. Minister Cernak entered the government as an expert. While a member of the government, he first became the deputy chairman of the Slovak National Party, and then its chairman. He assumed a tremendous number of political obligations—which he had to meet as the chairman of the party—and duties [as prime minister] for which he did not have all the necessary means. It was then that his political and professional interests began to diverge. But I do not want to belittle his work, since he tried to balance both.

[Reporter] Prime Minister, why do you believe that the outcome of the vote on the bill on the deputies' salaries would be the same if it were redebated in parliament? You said that the For a Democratic Slovakia Movement deputies would have voted differently if you had been present. Is there a mechanism to apply if a minister does not comply with the government's resolution? If I can remember correctly, this task was set by the government resolution.

[Meciar] The resolution of the government was to publish the result [of how much each member of the government has contributed to humanitarian purposes]. This is a tool of public control and moral pressure on the members of the government. I cannot order them to contribute any money. I can only expose them [ministers] to public inspection to show how generous they are. This is a moral question; the Labor Code cannot be applied here. Everyone has his salary at his own disposal. I cannot take this right from them by a government resolution. You do not need your spouse's approval to receive your salary. Drawing your salary is another thing, however. Of course, it would be difficult to return this bill to parliament. Mr. Weiss was chairing parliament when this happened. What happened? Nothing. Objections that were raised were rejected. If I am building on the fact that knowing my own club, a smaller group can call me to be with them there, then I have no chance. [sentence as published] If I were in the country at that time, then—in view of the number of people who were there—the vote would be public, and the bill would not pass. If we had organized it well, we would have had enough votes [to suppress the bill]. If there is a secret vote, the bill will be passed again. We simply have to take this as reality today.

Of course, I know the opinion of representatives of other political parties, since we have been discussing this sensitive topic for several months. They wanted an analysis to be done in the government. The sums should have been recalculated because the original sum was fixed relative to the salaries of the chairman of district offices. Today we have lowered it to the level of an average salary of the people. We have fully distanced ourselves from it. The members of the government had been ordered to be absent from the room during the discussion. I hope they respected this. As far as the club is concerned, we had clear guidelines on how to behave—not to accept, if they cannot reduce something

else. [sentence as published] Today, in a secret vote, you cannot hold a deputy responsible, not even politically responsible. So, what are you going to do about it?

[Reporter] Prime Minister, we have not had a comfortable discussion like this for a long time. Incidentally, are you afraid that while sitting here and having a lively discussion and opinion exchange, a stormy discussion could break loose there inside, in which Mr. Knazko would criticize you and create another Trnava initiative, or faction?

[Meciar] What would happen then? Life would go on. Every faction that would consider splitting off should also consider the impact it would have on the people. Today people can make paper heroes of themselves, but if this is not supported by the real facts of life, then this is not (...) [punctuation as published] will not be. [sentence as published] Time will heal wounds. It is possible that a faction could be established and split off from the movement; We have similar signals from other parties. Mr. Cermak told me that 25 members of parliament would leave our movement, and only 50 would remain on my side. If this is a fact, than I must face it. However, if there is a situation in which the movement cannot fulfill its role, then we would have to hold elections—democratic elections. We would have to consider what mechanisms to use. If the situation were socially intolerable, we could try establishing a coalition, but that is all. A coalition established on other principles would be in the realm of fantasy. Try to think how it would look—a coalition between the Slovak National Party and the Egyutteles-Coexistence or, a coalition Carnogursky-Weiss. This one might be possible. Here we have some unifying elements that would make it possible for those two to become very close. If ... [punctuation as published] he advised which. [sentence as published] How long would this last? How much popular support would it attract? We must take into account that a period of absolute tension in society has not yet come. That is, if the government is not strong enough, turmoil could erupt, such turmoil that it would become difficult to appoint any government.

[Reporter] Yes, but they can unite against you....

[Meciar] I am the unifying element of Slovak policy. If they cannot agree on something, they unify themselves against me.

[Reporter] Do you think that our deputies have low salaries compared with elsewhere in the world? Would it be good to have a law on the conflict of interests?

[Meciar] It is always necessary to take the real wages of other social groups and compare them with the real standard of living. If you have a disparity here and if the situation of a large group of people is worsening, then this will cause an opposite reaction. In social psychology, we have not become accustomed to the fact that people have different incomes. The theory of one stomach—whoever has the larger belly needs more—is still persisting. Society still does not feel the need to differentiate. This is why it is a problem to take this step now, under these circumstances.

You certainly know that, for example, I raised objections—and the government, too—regarding the bill on pensions. Of course, on the other hand, these salaries had a positive effect—the increase in pensions was higher since they adopted the government's version. [sentence as published] They are not concerned with the fact that they are pushing us, the government, into deficit. It is my business to come to terms with that. Again, it will be my business in 1994—if we survive until then—to show it as a deficit in the overall balance. The deficit will grow—this was your decision, deputies, now tell us what we should to do about it. Well, I am ahead of the situation.... To go and look into the kitchen, who is making how much and where.... There are people whose circumstances are very good, and they do not have to work all their lives. They have improved their circumstances within one or two years. And there are people who will work for as long as they live and still have very little. This is due to many factors. Today you would apparently set a wave in motion in which you would not [as published] reproach deputies for getting a salary and vice versa. This is a vicious circle. There are officials in the state administration who earn substantially more money than the prime minister—even multiples thereof. Should I be angry with them because of that? Should I punish them for that? I will only inspect the legality of their incomes. I cannot change the salary scales. So, please, reconsider the political utility of such a discussion. Otherwise, it is a good subject. People get excited about it and it is easy to write about it. People even like reading about it.

[Reporter] Prime minister, I spoke with Mr. Knazko a while ago. He is not considering establishing a faction—which would split off from the For a Democratic Slovakia Movement—but he has been thinking about creating a liberal opinion stream within the movement. What would this look like? Would some special organs be established?

[Meciar] I cannot imagine this. I received a proposal to establish a liberal wing from Jan Budaj in 1990. At that time, he discussed this a lot with me and a project was proposed according to which the For a Democratic Slovakia Movement would be divided into three factions—national democratic, liberal, and social democratic. These three factions would establish some kind of coordinating center. Of course, the question of establishing factions.... There are parties within which there are four factions, but they are still one party. It is possible. Establishing factions would be problematic today, since the social and liberal factions overlap to a large extent—to a very large extent. They cannot exist independently, however. Today everyone must be aware that, if he disturbs the existing power balance, he will render the government nonfunctional, and if things get worse—and they certainly will, if for no other reason than that the problems are not being solved—then

people will condemn him. A fate like that of the Public Against Violence movement would await him. If someone does it, he will have to face it. Whoever wants to risk it—if he thinks it is worth it—let him try.

However, this is not a reasonable solution. Look, there are things that I myself must judge. If you had not published so much, he [former Foreign Minister Knazko] could still be a minister. In fact, you did harm to him. He.... it is a pleasure to listen to him. You in the background knew very well what was going on. This was an unnecessary thing. He might be passing judgment on the situation now. If he succeeds in establishing something positive, then why not? Our political system is not final. There may be lateral movements through all the parties. The alternatives are very flexible. Dissatisfaction on any side is a seed for dissatisfaction with the leadership in general. But, some disorganized, great one, on our side, there is none. [sentence as published] This is not because we are afraid. We always know how to reach agreement. The internal mechanism in our party is always different from that in other parties. Precisely because we were beaten before the elections, we learned a different regime of behavior. You helped us, without wanting to.

[Reporter] Does that mean that you admit that there is a wide spectrum of opinions, of informal streams?

[Meciar] This is not a wide spectrum. In fact, it is social democracy and liberal democracy. These two streams are quite close to one another. No one of them is of any importance in Slovakia. Jointly, however, they may establish a strong structure.

[Reporter] Mr. Gasparovic said your movement associates people from left to right....

[Meciar] Yes, but only within this scope. That means, the right wing, as embraced by the Slovak National Party and the Christian Democratic Party, is not the ideology we embrace. Here, our contacts are severed. In the Slovak National Party, they are rather to the left, while their tactics represents the extreme right. Their orientation is somewhat confused. But, look, each policy must be formulated in pragmatic conditions. They can be rightist, leftist, and I do not know what, but if you tell him what is the price, minimum world price, for the gas transit through Slovakia—and now you say that the current world price is between $1.35 and $1.55. [sentence as published, allusion to former Minister of Economy Cernak, who negotiated with the Czech Republic the prices for gas transit through Slovakia] The Czech Republic will propose $1.08— so there must be someone to solve it, no matter whether he is a rightist or leftist. It is necessary to go above the ceiling price [stropna hranica]. Ideological standpoints that compartmentalize and pigeonhole society are losing importance. This right-left division is good—for example, they reproach us, the For a Democratic Slovakia Movement, for still not being in any international organization. I have received two offers to join the EDU (European Democratic Union) and an offer from social democrats—from German social democrats. I must say, Scandinavian [social democrats] were against us, since they did not know who we were, whether we were nationalists or not. So, since Europe's thinking is schematic [shematicke]—they have pigeonholed us in this or that box—they are saying: they [For a Democratic Slovakia Movement] are incomprehensible, we do not know them. Well, we are people and a movement. That means that our transformation into a party and the strengthening of our international relations—maybe, we will find a partner within a year—will help make our position clear.

[Reporter] What statistical data were you referring to when you said that 25 percent of our people became rich, and 75 percent poor?

[Meciar] Data in the public opinion polls, which were provided to me by the Statistical Office. In these polls there is a question on the social status, and 25 percent of the respondents said that their status had improved significantly, while 75 percent said it had not.

[Reporter] I was present at a meeting of the Christian Democratic Movement, and EDU Secretary Andreas Kohl said something to the effect that you wanted to join the EDU, but that your joining could only be considered on the recommendation of Jan Carnogursky. However, we would not like to cause a dispute between you two. My second question is related to the possible increase in the number of government members, since you said that you had considered it. Would it be realistic?

[Meciar] Regarding the EDU, I received specific proposals from Jozef Antall, and another from the Austrian vice chancellor. They spoke with me—separately, of course. He then repeated his proposal at a meeting between an Austrian and a Slovak delegation.... So, that means, it is realistic. It does not depend on Mr. Carnogursky. Regarding your fear of our falling out with Carnogursky—well, from time to time he must be told to come to his senses. He is our biggest asset. He compromises himself when it is not necessary, as if he wanted to be dismissed from his post. Our interest is, however, that he stay in office, since as long as he stays we have a chance of winning another election. If someone else took over his job, we would be in trouble. My attitude toward him is critical and is given by the fact that he has cheated me several times in certain periods of my life. However, my attitude toward him is not as hostile as to make me not look at him in parliament when he looks at me. The proposal to extend the number of government members applied to one post, but it has not been accepted yet. University graduates and academicians are fighting for their own sector, and want to divide the Ministry of Education in two. This is the last ministerial sector that wants to be divided.

[Reporter] I would be interested, as a representative, in who from the German side suggested you join the Socialist International and when.

[Meciar] During my visit to the leadership of the Social Democratic Party of Germany we were offered observer status. This offer was repeated during the recent visit by a Social Democratic Party of Germany official to Slovakia, by Mr. Roth.

[Reporter] Prime Minister, you may need approval by the Social Democratic Party to joint the Socialist International, or approval by the Christian Democratic Movement to join the EDU. Is that true or not?

[Meciar] Regarding joining the EDU, this certainly is not so. The Christian Democratic Movement claims more reputation that corresponds to their real political clout. When I was in Brussels and was told that our acceptance in the Council of Europe might be postponed, it made me slightly nervous. I was looking for ways to get there, so I asked about the possibility of influencing their club through our Christian Democratic Movement. There was a delegation at the table that had recently visited Bratislava. They said they had visited our Christian Democrats, but what they had heard there was too much for them—for them, as Christian Democrats. So, I found out that this road was a dead end. Regarding becoming a member, this must ensue from their rules. We did not table the issue directly. We could consider our status as observers. Regarding the Socialist International, last year they supposedly discussed rules according to which only one party from each country could be admitted. Simply, it is not possible to accelerate this. This means that, for example, the relations between the Party of the Democratic Left and social democracy went through this. [sentence as published] They simply would put a social democratic hat on their heads, and would march in there directly. As far as we are concerned, we have time, the thing must take on its own shape, and members must accept it. It is simply not possible to accelerate it, since a split could occur then, and even violence could be done to some. In politics, it is not necessary to expose oneself to such difficult tests, if there is no corresponding effect.

British Official, Andrejcak Sign Memorandum

LD0504184293 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1630 GMT 5 Apr 93

[Excerpts] Archie Hamilton, minister of state for the Armed Forces of Great Britain, ended his official visit to Slovakia today. In the afternoon, following talks with Slovak Defense Minister Imrich Andrejcak, both ministers signed an official interstate memorandum on the program of military contacts for 1993 between Slovakia and Great Britain.

Our correspondent Bernard Rosticky was present at a short news conference where Hamilton talked about the importance of the memorandum.

[Begin Hamilton recording in English with superimposed translation into Slovak] The British Government gives great importance to this document since it is concrete proof of the support the British Government gives to the Slovak Republic. In the area of military relations both cooperation and support are exceptionally important. Our Armed Forces have more experience with building an army in a democratic society, and at the moment the Slovak Republic faces such a task—to build your Armed Forces, or your Army, on democratic principles. As far as specific cooperation in the area of exchange of experts is concerned, I can say that talks were held on cooperation in the area of medical care in the Armed Forces. We expect that the head surgeon from the British Armed Forces and a team of military doctors will soon pay a visit to Slovakia. [passage omitted]

This memorandum, of course, envisages wider mutual cooperation. [end recording]

As Slovak Defense Minister Imrich Andrejcak stressed at the news conference, the memorandum provides for sending English teachers to Great Britain to perfect their skills, creates preconditions for Slovak Army officers' studies at British military academies, and creates an opportunity to use the views of British experts in the reconstruction of our Army in the future.

Air Defense Troops Commander Discusses Air Force

AU0504121293

[Editorial Report] Bratislava PRAVDA in Slovak on 31 March on page 5 carries a 1,300-word interview with Major General Stefan Gombik, commander of the Air Force and Air Defense Troops of the Slovak Army, by Peter Ondera, entitled "The Pilot Has No Reason To Apologize." The place and date of the interview, which concerns the first months of the existence of an independent Slovak air force, are not given.

Gombik is first asked to respond to critics who claim "that we have received from the Czech Republic only old aircraft and the entire division of the Federal Army's air and air defense forces was unequal." Gombik replies that, in dividing the federal air force, account was taken not only of the two to one ratio applying to all federal property "but also of the age of the aircraft, the purpose of their deployment, and their entire economic effect. Hence, numbers were not the sole criterion. We received, for example, one-half of all the MiGs-29, the most modern aircraft, but did not take a single MiG-23. It is interesting that some Czech deputies, too, have criticized the supposedly disadvantageous nature of the division for the Czech side. To sum up, in dividing [the federal air force] account was taken of the needs of the independent armies and both sides have both the most modern machines and outdated models. All the aircraft that we have landed here, that is, they were operative. Another matter, which is generally known, is the application of the territorial principle in dividing the ground installations. Most airfields are in the Czech Republic and they are relatively well equipped. In Slovakia we had virtually nothing."

The next question concerns the problems of members of the Slovak Air Force who have moved to Slovakia from their former bases in the Czech Republic. Gombik says: "The situation really is critical. Most families of our members live in the Czech Republic. The regiment in Presov, for example, has been built from scratch and its members have come from three Czech regiments. It is obvious that the pilots cannot travel to Plzen, for example, every weekend. They go home once in about three weeks, which is unacceptable. In Sliac we have about 270 applications for apartments, 120 of which have been registered for two years. Some members have already returned to the Czech Republic because they did not see a realistic chance of resolving their family situation."

Gombik is also asked about the impact of budgetary constraints on the number of hours pilots spend flying. He says: "An analysis of the latest accidents in the federal air force clearly confirmed that the basic cause of crashes was the crews' inadequate flying practice [slaba vylietanost]. A French or a German pilot spends 150 to 180 hours a year in the air. That is the optimal level. Our pilots have an annual plan of 50 hours of flying. We fly little mainly for economic reasons. In my opinion, those 50 hours are the lowest limit that still guarantees the pilot's and the machine's safety." Gombik admits that another "limiting factor" are citizens' protests against the noise generated by military aircraft. In this context he notes that "as early as two years ago we adopted a number of measures—we do not fly at night (in summer after 2300, in winter after 2200) and on weekends." Gombik recommends that the inhabitants of the affected communities be compensated by means of tax relief or special subsidies.

In concluding, Gombik is asked to reply to critics "from the ranks of the Association of Slovak Soldiers (ASV), for whom the air force has been a frequent target of criticism." He says: "Some of their arguments are worth considering, with some I absolutely disagree, and some had better be ignored completely. I do not want to speak about the background [of their criticism] but it hurt me very much personally when they called us federal Slovaks. He who wanted to fly a jet aircraft went to Bohemia because there were not any here. I personally have moved 6 times as a pilot and I know pilots who have moved 12 times. What can I add to this? In my opinion, ASV members criticize a great deal but one can hear from them few specific proposals on what to improve and how."

Antall Chairs Government Session in Debrecen

AU0604130893 Budapest MTI in English 1632 GMT 3 Apr 93

[Text] Budapest, 3 Apr (MTI)—Direct interregional relations form part and parcel of European development. The closer links a county or a region maintains with East and West, the better chances it has for catching up with the economically more advanced regions, Hungarian Prime Minister Jozsef Antall said before the government's Saturday [3 April] session in Debrecen, eastern Hungary.

The closed session is focussing on the problems of eastern Hungary and, within that, Hajdu-Bihar County, one of the relatively underdeveloped regions of the country.

Antall, who is the chairman of the Hungarian Democratic Forum (HDF), met local party leaders today.

Antall Meets With VMDK Chairman

LD0504185093 Budapest Kossuth Radio Network in Hungarian 1600 GMT 5 Apr 93

[Text] Prime Minister Jozsef Antall and Andras Agoston, Chairman of the Democratic Community of Hungarians of Vojvodina [VMDK] have discussed the consequences of a possible tightening of the UN embargo and the autonomy concept of the VMDK. Kata Peli Nagy reports on the afternoon event.

[Peli Nagy] The further tightening of the embargo against Serbia, the sealing of the borders, as well as the restriction of relationships with the mother country may easily become tragic for the Hungarians of Vojvodina. This was stated by VDMK Chairman Andras Agoston after his talks with Jozsef Antall. They have therefore made a request to the prime minister that the government ensure through its activity that the tightening of the embargo will not possibly affect Vojvodina.

[Begin Agoston recording] I cannot yet say that the Hungarians of Vojvodina are starving. However, this may happen in a month. The future prospects are no better either, because where no seed is sown there is no harvest either. The majority of the Hungarians of Vojvodina depend on farming. It is very difficult to tell you how we will be able to get through the coming times, especially if the embargo becomes even tighter. We hope something will happen which will somehow resolve the whole situation and direct it toward peace. [end recording]

[Peli Nagy] The Hungarians of Vojvodina can for the time being hope that the situation of the Hungarians will also be resolved within the framework of a general settlement. In any case they have prepared their concept of autonomy. However, no negotiations have yet been announced with the Serbian and federal powers. With the establishment of Hungarian self-governments, the buds of territorial autonomy have emerged, Andras Agoston said after the one-hour meeting.

Foreign Minister Urges World Focus on Vojvodina

LD0404124993 Belgrade TANJUG Domestic Service in Serbo-Croatian 1019 GMT 4 Apr 93

[Text] Novi Sad, 4 Apr (TANJUG)—"I believe and I hope that the United States and other democratic countries will devote as much attention to Vojvodina as to Kosovo, which is not the case at present," Hungarian Foreign Minister Geza Jeszenszky said in an interview for today's issue of MAGYAR SZO.

The question of Vojvodina, and in particular the question of the future for the Hungarians in the province, can be resolved more easily than the question of Kosovo's status, the Hungarian foreign minister said in the interview with a 'Magyar Szo' correspondent in Washington, which Geszenszky visited at the invitation of U.S. Vice President Al Gore.

According to Jeszenszky, the concept of autonomy advocated by the Democratic Community of Vojvodina Hungarians [DZVM] is "well thought through, well founded, well intentioned, and at the same time it is quite moderate. So if it were adopted, it would benefit not only Hungarians but also Serbs and the Belgrade government."

"I tried to convince my Serbian collocutors that in this field they could show the world they are capable of negotiating and of reaching a compromise, but unfortunately I have so far received very few encouraging signs from the Belgrade leadership," Jeszenszky said.

"Hungarians in Vojvodina will not be forgotten in the search for a political solution to the crisis in Yugoslavia. Indeed, they will serve as an example of how a model can work," Jeszenszky stressed without explaining what model he had in mind or what threatens the minority rights of the Hungarians in Vojvodina.

The Hungarian foreign minister reiterated that the basis of Hungarian foreign policy has not changed and that its goal is still the establishment of the best possible relations with neighbors.

"However, we cannot nurture friendly relations at the expense of the Hungarian minority in those countries," Jeszenszky said, adding that "it is up to the Serbian leadership whether Hungary understands and supports it. We are, however, convinced that Hungary is very important for Serbia because of communications and other reasons," Geza Jeszenszky concluded.

German Defense Minister Ruehe Arrives

LD0504094093 Berlin ADN in German 0822 GMT 5 Apr 93

[Excerpt] Budapest (adn) - Federal Defense Minister Volker Ruehe arrived in Hungary today for a two-day visit. He was welcomed at Budapest Ferihegy Airport by his Hungarian counterpart, Lajos Fur. Both ministers immediately opened talks, the main focus of which is

bilateral military cooperation and security policy in the region, with particular attention being paid to the conflict in Yugoslavia.

In the course of today, Ruehe will also meet Foreign Minister Geza Jeszenszky and the chairman of the Parliamentary Defense Committee, Gyorgy Balogh. On Tuesday Ruehe and Fur will sign a military cooperation agreement. [passage omitted]

Meets With Fur

LD0504141793 Budapest MTI in English 1332 GMT 5 Apr 93

[Text] Budapest, April 5 (MTI)—The possibility of Hungary getting military spare parts from stocks of the former East German Army figured on the agenda of talks between the German and Hungarian defence ministers on Monday, said Hungarian Defence Ministry spokesman Lajos Erdelyi.

However, Erdelyi declined to give further information on the issue. "You'll have to wait for Tuesday's press briefing," he told MTI.

German Defence Minister Volker Ruehe arrived in Hungary on Monday for a two-day official visit.

After talks with his Hungarian counterpart Lajos Fur, Ruehe said the issue of spare parts was not the focus of negotiations.

Previously, it was leaked that Ruehe said Germany was interested in Hungary preserving its capabilities of defence and Bonn had already made a decision on that issue.

The talks focussed on bilateral military ties, Erdelyi said. Ruehe and Fur also discussed logistics cooperation and possible German support for Hungary.

Also, Germany is expected to help modernize the Hungarian Army. Modernization, however, means experience and not arms, Erdelyi said.

Under a German aid project 41 Hungarian officers have participated in training at Bundeswehr (German Army) schools. The project is expected to continue.

Meanwhile, the ministers will discuss international issues, particularly the south Slav crisis at further talks.

Foreign Ministry on Enforcement of No-Fly Zone

AU0504121093 Budapest NEPSZABADSAG in Hungarian 2 Apr 93 p 2

["F.O."-signed report: "Herman: There Is No Increased Threat to Hungary"]

[Text] The military enforcement of the no-fly zone over Bosnia and possible more severe Security Council sanctions against Yugoslavia do not make Hungary's position more endangered, Janos Herman, Foreign Ministry spokesman, told NEPSZABADSAG.

Herman emphasized: If the Security Council approves the new sanctions, they will be mandatory for all UN member states, including Hungary. At the moment, consultations are in progress on the draft resolution.

The south Slav crisis has already had negative economic consequences for Hungary, and we have raised the issue of compensation a number of times.

The current proposal would empower the ships of the member states to pursue Yugoslav vessels that violate the embargo, even entering Yugoslav waters if necessary. Asked whether this might affect Hungary, Herman said: This issue is still too uncertain to make any predictions. All along, the primary and consistent element of Hungarian policy is that we do all we can to avoid getting involved in this conflict.

According to Herman, the military enforcement of the no-fly zone over Bosnia does not present a new risk for Hungary. "It is known that AWACS reconnaissance planes are also operating in Hungarian airspace and this will continue. However, the latest decision does not have immediate consequences for us."

[NEPSZABADSAG] Is it possible that Hungarian planes will participate in shooting down foreign planes that violate the ban?

[Herman] Naturally not, this is completely out of the question. The Defense Ministry has stated many time that Hungarian soldiers are not even participating in peacekeeping activities.

Hungary participates in the broad international effort by obeying the legitimate decisions of the international community.

First Discussion of Defense Guidelines Concluded

AU0204194793 Budapest MTI in English 1717 GMT 30 Mar 93

[Text] Budapest, 30 March (MTI)—Hungarian Parliament completed first discussion of a draft resolution on national defence guidelines on Tuesday [30 March].

Socialist Party Deputy Gyorgy Keleti spoke appreciatively of a draft amendment prepared and submitted with six-party consensus, and underlined the significance of two clauses: Defence as a national cause above party interests, and Hungary's armed forces not being able to possess weapons of mass destruction. Keleti, later supported by Alliance of Free Democrats [SZDSZ] Deputy Imre Mecs, proposed this second clause should be put in the Constitution as well. He asked the government to share political responsibility for certain decisions, like the possibility of giving permission to set up a UN peacekeepers' training centre, with Parliament.

SZDSZ Deputy Imre Mecs also liked the six-party draft amendment and said it was significant that, under the draft resolution, Hungary will take justified security interests of its neighbours into account. Mecs proposed the government should report to Parliament at least annually about carrying out defence policies and about preparing and developing the armed forces.

Walesa Presses Ahead With National Guard Idea

LD0504202893 Warsaw PAP in English 2002 GMT 5 Apr 93

[Text] Warsaw, April 5—President Lech Walesa, commander-in-chief of the Polish Armed Forces, observed exercises of the Vistula area troops (nadwislanskie jednostki wojskowe msw), an elite unit of the Ministry of Internal Affairs, in Czerwony Bor, Lomza province, on Monday.

Following the exercises, involving over one thousand men, Lech Walesa said that he expects a great battle for the unit. The president was referring to his idea of transforming the unit into National Guard subordinated to the president.

Speaking to newsmen, the president rejected opinions alleging that he wants to put the National Guard under his command to choke democracy in Poland. "My goals are different. I want to cope with tasks faced by the third republic. It is also a question of avoiding surprising situations and in order to achieve this, one has to forsee solutions," explained the president.

President Lech Walesa said that the unit's tasks should be extended and cover such areas as technical and chemical rescue operations, combatting effects of natural calamities and countering uncontrolled influx of people across Poland's eastern border.

The future of the 12 thousand-strong unit will be decided by the sejm (lower house of parliament) when it meets to discuss a draft law on the National Guard forwarded by the presidential chancellory's National Security Council.

Representatives of the Defence Ministry told a recent meeting of the sejm defence committee that the ministry is not interested in taking over the command over the Vistula area troops.

Drzycimski on Walesa Relations With Suchocka, Siec

WS0504123093 Warsaw Radio Zet in Polish 0515 GMT 1 Apr 93

[Studio interview with Andrzej Drzycimski, President Walesa's spokesman, by Andrzej Pawel Woyciechowski, from the "Guest of Radio Z" program—live]

[Text] [Woyciechowski] If a crisis arose in the coalition, if the government became so weak that it could not fulfill its function any longer, would President Walesa be prepared to enforce the presidential rule of the country?

[Drzycimski] Certainly he would... [pauses] ...that is, a rule. Well, it is just like many of his other solutions. It is not conceivable for the president of the country not to have a solution to a crisis. This is obvious. President Lech Walesa has shown many times in difficult situations that he has solutions. This situation—if such a situation occurred—would be no exception. Otherwise, the whole country would be vulnerable to mass destabilization. As we know, the president goes to extraordinary lengths to shield the country from any tensions that could lead to destabilization. We have internal problems. We all admit it and we often talk about it, including the coalition party members. However, this is the natural road to democracy.

[Woyciechowski] Does the Belvedere [seat of the presidency] think that now that the privatization bill has been rejected we are witnessing a coalition crisis?

[Drzycimski] No, no, of course not. This proves that the coalition has some problems that it must solve collectively. It must find its own solutions. I think that there is enough good will on the part on the coalition members to work out good solutions. Evidence that everything is turning out fine is that the new privatization bill will be submitted to the Sejm very soon.

[Woyciechowski] Is Walesa still supporting Suchocka's government? Or has there been any change of heart? Or is it still the best possible government that could be formed today?

[Drzycimski] President Walesa declares so much support for the prime minister that it is probably impossible to go any further. The only question is whether the government can take advantage of the fact that the president has placed so much trust in Prime Minister Suchocka.

[Woyciechowski] Some 3 or 6 months ago there were rumors that the relations between President Walesa and Premier Suchocka were very good, that there were no conflicts. Does this still hold true?

[Drzycimski] We can even put it in a different way. It is a natural function of the government and the president to keep each other informed. Of course, occasionally some tensions arise, but that is understandable. We still have to get used to the Small Constitution. The tension may appear especially in the sphere of the executive power between the president and the government. But on the whole, the situation is really good. I hope that this cooperation will develop, and that no new tensions arise.

[Woyciechowski] For many years the relations between the government and the Belvedere were rather bad. Now they are very good. How can you explain this? There have been no conflicts for months. Has the president learned to [word indistinct] or was it the government?

[Drzycimski] I will say it differently. We are all learning this difficult art of politics. It must be remembered that we are new to politics. We are familiarizing ourselves with its mechanisms; there are many new aspects to them. However, Lech Walesa has been in politics for a couple of decades. It is not only his gray hair that indicates that he is more mature in this area, but also the fact that his experience in politics is greater than most of us newcomers have. Therefore, his opinions are often different. It is the task of the president to predict things, and that is what he does. I think that it has already been

understood that the president has an important role to play in this area in our country. A manifestation of this is the fact that there is peace in Poland. Various kinds of unrest afflict other countries, whereas we continue developing in spite of the difficulty.

[Woyciechowski] Is the president thinking of establishing a presidential party, or has this idea been put off for the time being?

[Drzycimski] The very word party has negative connotations. After all the experiences of the past 50 years, we have had enough of...

[Woyciechowski, interrupting] Is party associated with the Polish United Workers' Party?

[Drzycimski] In general, it is associated with a system that enforces something, that imposes something. Apart from the problem of a party, there is a need to meet and discuss the rules which we should abide by. President Walesa has often emphasized this. I said it once, and I will say it once more: During his meeting with Marian Krzaklewski, leader of Solidarity, President Walesa mentioned the need to establish a common movement in favor of reforms. He reiterated this view a few more times, and it was received in various ways. Generally, there was a fear that President Lech Walesa wanted to establish a party of his own. The president is not embarking on an election campaign. He is not creating a situation that would indicate that he is trying to win voters over. He simply wants certain issues in Poland to develop, and this is why he backs up those groups that support the idea of implementing reforms in our country. Among others, it is also a problem of the Siec ["network"—Solidarity-based trade union organization] whose representatives met with the president not long ago. It is also the problem of Solidarity. President Walesa insisted on having a meeting with the National Committee. He almost invited himself to it, because the president had not had a meeting with his Solidarity. He participated in creating the movement and for many years was its leader. And there was only one breakfast with them after his election. The National Committee gave the impression that it was afraid. Even though Solidarity has various political goals, one must say that its most important task is the protection of workers. President Walesa wanted to highlight the fact that he is with them, and he asked them: Do you want to be with me? The answers were varied. President Lech Walesa, after the election, suggested that a joint body be established that would inform people about various events. I could mention the famous white book here. Anyway, he submitted proposals. None of them was accepted by Solidarity. I repeat: not by the president, but by Solidarity.

[Woyciechowski] Those who accuse President Walesa of desiring to establish a strong presidential party point at Siec. They say that on the basis of the Siec...

[Drzycimski] But Siec stresses clearly the word nonparty. This word was the key for them.

[Woyciechowski] What is the difference between Siec and the structure of Solidarity? Are there any political differences?

[Drzycimski] The difference is crucial, I believe. I am not a member of Siec, and I can only say something on the basis of what I can see as an outsider. Siec groups big industrial plants and wants to implement reforms there. And it is looking for solutions. Both the government's and Solidarity's proposals are, according to Siec members, insufficient to assist the plants. They believe that the most important thing that should be done in the whole process of transformations is that the people should be given our common property. This property should be divided. The transformations cannot be beneficial for one group only. Also they do not agree that only a certain group of plants should be privatized. They support the idea that it should include everyone. Therefore, they submit ideas and proposals that originate from the president's election campaign, and they admit it, because their author is Lech Walesa. They develop his ideas. Talks with one of the ministries have already begun in the Belvedere. Judging by what Minister Lewandowski said, this work will be continued, and the proposal of Siec may be translated into the language of specific figures. Now we are still speaking about a project.

[Woyciechowski] The language of specific figures means the 300 million zlotys?

[Drzycimski] Yes. And I would like to explain one thing here. I have had many phone calls from people who asked me if I could lend them 300 million zlotys. I want to reiterate that it is only a project which the Ministry of Ownership Transformations and Siec have only just started to discuss.

[Woyciechowski] When will I be able to collect my 300 million zlotys?

[Drzycimski] Collect it only if you decide to invest the money in something, such as, buy an apartment, a shop, part of a plant, a state building. In short, everything that the state treasure puts up for sale. The general assumption is that will be a low-interest loan which can be paid off for 20 years. I say it is general, because to get to know the details you would have to invite the authors of the project.

[Woyciechowski] When? In a year, two years, or five years? When will that take place?

[Drzycimski] This is a question of preparing a formula for this. Minister Lewandowski said that it should take place soon. We will see how the...

[Woyciechowski, interrupting] Do you think that Minister Lewandowski is really interested in this, that he will do his best to see to it that the project is implemented? Or is he acting like a bureaucrat, that is, setting up a committee...

[Drzycimski, interrupting] No, no. This is impossible, because Siec is a considerable force.

[Woyciechowski] And it will organize a strike if...

[Drzycimski, interrupting] No, maybe not a strike. It will demand other solutions, it will want to get an answer. I cannot imagine a situation where such a tremendous force that groups almost 300 large industrial plants says: Well, we can go on discussing forever. This is out of the question. Minister Lewandowski is a politician and he understands very well that a concrete answer must be given here. If it is a realistic project, it must have a solution. The project is important because it may interest the people. It will not include only the 600 plants that are going to be privatized anyway. Siec does not criticize the privatization of the 600 plants. It wants for the other 6,000 plants to be privatized. So the whole idea is heading in this direction. This is the idea that is supposed to activate all those people who were not ready, as it were, in the first phase of the transformations. And this chance to give money to everyone who wants to... [pauses] Well, you say: take it. We will certainly not take it as we took it in the 1970s. I have had a phone call from a person who said that she wanted to take the 300 million zlotys because she had no money to survive. This would not produce anything. We would spend the money for a television set or something else, for consumption, but we would not create new places of work...

[Woyciechowski, interrupting] Because this is money for the rich, and not the poor, is it not?

[Drzycimski] No, the money is earmarked for the poorest. A rich person would not be very interested in such a sum. This is for the poor. This is the average price of a small apartment in Poland. We would like this to be a stimulating factor, which gives many people a chance to participate in the game. Even if 30 percent of the people used this chance, it would cause a lot of movement. It would not be confined to measurable categories, such as 200, 300, or 500 million.

[Woyciechowski] This is a large group of people who may become very active and rich, and who will always remember that they owe this 300 million to President Walesa.

[Drzycimski] Perhaps. I must say, anyway, that the idea that President Walesa has been proposing for a few years, even though it is often derided, keeps coming around like a boomerang. Even if we tried to escape from it, even if we hid our heads in the sand, the people would judge us for one thing: Was all this supposed to be just? We said yes. Were all supposed to have access? We said yes. Was everyone supposed to have a chance to take advantage of it? We said yes. And what did we do? We divided the people. The people may not accept it, but we, as the authorities, who create this political reality, must give people chances. This is our main task. The people may say y . or no. But if we do not do this, we will be put in the pillory of public opinion. We will be said to have lost something that the people trusted we would do for them. The people expect us not to let them down. This subject will return. We can escape from it today or tomorrow, but it will return.

[Woyciechowski] Let us change the subject for a while. Can we say that President Walesa is supporting Yeltsin in this conflict between Yeltsin and the Russian parliament?

[Drzycimski] Two weeks ago, before the escalation of the conflict, President Walesa said that Boris Yeltsin represented a policy of transformations in Russia. But we must say it clearly that this is an internal affair of Russia. We, as well as many politicians in the world, think that we can say this or that. This is an internal Russian affair, and Russia must choose its way by itself. If anyone thinks that words from outside can result in transformations in Russia, then he is far from the truth.

[Woyciechowski] When will Yeltsin visit Warsaw? When will the visit take place?

[Drzycimski] This will be established by diplomats. According to preliminary plans, it will take place in the first half of the year.

[Woyciechowski] Is it true that before Yeltsin's visit President Walesa will want to have the Katyn issue definitely finished? This is what some journalists say. Has this issue been definitely finished?

[Drzycimski] This issue has already been politically finished. This has been accepted as the truth; President Yeltsin and President Walesa spoke about it during Walesa's visit to the Kremlin. So let us not return to the issue which is just about to be finished. This is a different phase. Now we have other more important issues. Russia is about to face a breakthrough. It has to choose a road it will follow. We also have our own views concerning the transformations under way in central and eastern Europe. We can say it in a different way. It is important for us what Russia will be like. Will it be a country that accepts changes coming from the West, or will it want to return to the old model, a model that was dominating in the past decades? This is an important question. For the time being it seems that it is a country that wants to be democratic. However, we do not influence those transformations. We can only influence them indirectly, by showing what we have done, by showing the chances that open up before us. This is an important element, and Russia can see it. What is also important is that we can say to the West that the direct aid for Russia, such as food, for instance, will not solve the problem. It will only exacerbate it because it will break out sooner or later. The aid must be of a different type. It must come from here, from the countries that are already on the road of transformations, such as Poland, the Czech Republic, Slovakia, Hungary. This is the road. Will the world accept this road? It is a road that offers opportunities to everyone, both for us and for those who must take our place, the Baltic countries, Ukraine, Belarus, Russia.

This is the road. If we want to build it from the other side, this will not solve the European or even world problems for sure.

[Woyciechowski] Thank you very much for the interview.

[Drzycimski] Thank you.

Kaczynski Sues Walesa Over 'Vicious Gossip'

AU0504131793 Warsaw PAP in English 1832 GMT 2 Apr 93

[Text] Warsaw, 2 April—Centre Alliance party chief, Jaroslaw Kaczynski lodged a defamation of character complaint in the provincial court in Warsaw against President Lech Walesa, Jerzy Urban, editor-in-chief of the NIE weekly, and Jerzy Nasierowski, author of an article in NIE, announced Kaczynski's lawyer, Jerzy Hoffman, at a press conference in the Sejm on Friday [2 April].

According to Kaczynski the three damaged his reputation by suggesting that he has homosexual tendencies. Kaczynski said that the suggestion which seriously upset him is untrue and that at least one of the three, Lech Walesa, should know this since he he didn't meet Kaczynski "just yesterday".

Kaczynski is demanding that President Walesa donate 100 million zloty ($6,061) to the Polish Red Cross in order to make amends for his vicious gossip, and that Urban donate 1 billion zloty ($60,606) to the Centre Alliance party fund. Kaczynski is not asking Nasierowski to pay any damages.

Fishermen Block Ports on Baltic Sea Coast

LD0504201993 Warsaw PAP in English 1905 GMT 5 Apr 93

[Text] Warsaw, April 5—Fishermen in several hundred boats on Monday blocked ports along Poland's Baltic Sea coast demanding urgent government measures to protect the trawling industry, including tax and excise duty relief on fuels, preferential seasonal credits, introduction of tariff barriers to protect the Polish fishing industry from cheap foreign competition and the shortening of the April-September ban on cod fishing.

The blockade affected around a dozen Polish ports, from Swinoujscie (Szczecin Province) to Gdynia, Captain Krzysztof Pospolicki, head of the All-Poland Trawlermen's Protest Committee said.

The protest brought first results as Jerzy Olbromski of the Ministry of Transport and Maritime Economy announced on Monday last week's decision on lower fuel prices for Polish fishermen.

During the blockade, free passage was granted to rescue, border and navy ships. The fishermen also allowed a ferry to sail out of Swinoujscie to Ystad, Sweden. Other ferries scheduled to leave Polish ports during the day left earlier to avoid the blockade.

Lithuania Protests Against Money Controls

AU0204162893 Warsaw PAP in English 1839 GMT 1 Apr 93

[Text] Warsaw, April 1—As of today, Lithuanian citizens who want to visit Poland as tourists are required to have 200,000 zlotys (some 12 dollars) per declared day of stay, Zbigniew Daniszewski of the Border Guards Office announced.

The Lithuanian Foreign Ministry has protested against the "unilateral action by Polish border and customs services at the Polish-Lithuanian border in Lazdijai-Ogrodniki," where Lithuanians entering Poland were requested to produce the equivalent of 1 million zlotys.

According to the Press Office of the Lithuanian Foreign Ministry, the Lithuanian side was not given an earlier notice about the decision which is in contradiction with a bilateral Polish-Lithuanian agreement concerning the crossing of the border.

Ethnic Hungarian Leader Views Causes of Tension

AU0504154593 Budapest NEPSZABADSAG in Hungarian 2 Apr 93 p 3

[Interview with Gyorgy Tokay, faction leader of the Democratic Union of Hungarians in Romania, by Zoltan Szabo Tibori; place and date not given: "The Authorities Are Provoking the Hungarians in Romania—RMDSZ Faction Leader Gyorgy Tokay on the New Tensions"]

[Text] Last weekend, at the meeting of the Council of Union Representatives [SZKT] of the Democratic Union of Hungarians in Romania [RMDSZ—UDMR in Romanian] in Nagyvarad [Oradea], a heated debate developed over a statement by [Presbyterian Bishop and] Honorary Chairman Laszlo Tokes. According to this, "a quiet ethnic cleansing is in progress against the Hungarian minority in Romania." Gyorgy Tokay, one of the leaders of the RMDSZ and representative of the Romanian National Assembly talked to our Cluj correspondent about this issue and about the developments regarding the appointment of prefects in Harghita and Covasna counties.

[Tokay] The SZKT has to deal with important strategic issues, namely what kind of politics the Hungarians in Transylvania wish to conduct. Whether they want to be in a kind of fort, without allies, alone, conducting some kind of politics of the injured side, or they want to fight together with allies for democratization and for national minority and Hungarian rights. This is what we have to discuss, rather than whether an expression was correctly used in some place. Dealing with such things is a waste of our time. Both strategically and tactically, a policy of alliances is in the interest of the Hungarians because it is the only way to achieve their goals.

The other question has some personal aspects. It referred to Bishop Tokes, whom I see as an integrating, rather than a polarizing, force. In my view, all debates that tend to divide the Transylvanian Hungarians, the RMDSZ, or the SZKT into two camps are wrong, that is, those that advocate a radical line and those that prefer a moderate federative policy. Tokes, who is a great revolutionary and a symbol of the Transylvanian Hungarians, should remain an integrating force between the two tendencies. This is where the future lies.

[Tibori] In your view, the statement that ethnic cleansing exists in Romania is "fortunate," "unfortunate," true, or untrue?

[Tokay] In my view, the use of the term at the place and time where and when it was made was unfortunate. I also emphasized in the parliamentary speech that, for the time being, we cannot talk about ethnic cleansing in the "Bosnia-Herzegovina sense" of the word. Tokes agreed with this distinction and said he also thought that it would be better to talk about some kind of [previous three words in italics] ethnic cleansing. This is how it was included in SZKT's document. Considering the history of the past 70 years, one is justified in saying that a whole geographical area has undergone some kind of ethnic cleansing. However, the methods were not the same as the ones currently being used in Bosnia-Herzegovina.

[Tibori] In various towns of the Szeklers' Land, protest actions are being organized because Romanian prefects have been appointed in Harghita and Covasna counties where the Hungarian population is in the majority. What can we hope for in this issue?

[Tokay] We cannot yet talk about the prospects. In my view, the event that set off the civil disobedience movement announced by the Hargitha and Covasna RMDSZ organizations was a provocation. Increasing the ethnic tension in the country is the stupidest possible way of diverting attention from the country's real problems. The question arises which side is interested in increasing the tension? It can only be in the interest of the authorities, because of the serious economic crisis. The local RMDSZ organizations independently decide on the forms of protest. There is only one limitation, namely that no one should ever commit violent actions anywhere. This has to be emphasized because the authorities provoke us every day. Certain newspaper articles claimed that Bishop Tokes had asked for weapons for the Transylvanian Hungarians. However, the essence of Tokes's statement in Cleveland was that it is impossible for a civil war to break out because two armed sides are needed for this, but the Hungarians are defenseless, they do not have weapons. In the latest military program of the Romanian television called "Pro Patria," this was presented in such a way that Bishop Tokes had asked for weapons for the Hungarians. The provocative intent is obvious. We have to act against this without violence but firmly, knowing that truth is on our side. I dare hope—perhaps I appear too optimistic—that the government will eventually find a solution through which the Transylvanian Hungarians will be able to prove that they are not second-class citizens, the issue of ethnic minorities can be resolved peacefully, and the Hungarians of Romania will have a proportionate number of places in public administration and in the jurisdictional system.

Labor Ministry Reports on Unemployment

AU0504180193 Bucharest ROMPRES in English 1259 GMT 5 Apr 93

[Text] Bucharest, ROMPRES, 5/4/1993—There were 1,065,281 jobless registered with labor offices in Romania on April 5, announces the Labor, Unemployment and Salary Policy Department of the Ministry of Labor and Social Protection. They include 622,418 women, 103,045 industrial workers and 16,817 people with academic training. Of them, 642,250 get unemployment benefit and 322,452 get subsistence allowance. The unemployment rate on the same day was 9.6 per cent and 3,179 jobs available.

Official on WEU Assistance Offer for FRY Embargo

AU0604073593 Bucharest Radio Romania Network in Romanian 1700 GMT 5 Apr 93

[Text] Commenting on the decision adopted today during the extraordinary meeting held in Luxembourg by the foreign affairs and defense ministers of the WEU countries on offering technical assistance to the Danube countries for the observance of the embargo imposed on Serbia and Montenegro, a spokesman of the Romanian Foreign Affairs Ministry, Mircea Geoana, said that the offer is part of a number of complex measures designed to reinforce the embargo on the Danube.

The WEU decision comes on top of the recent offer by the U.S. Administration to send three patrol boats [to Romania], which are expected to arrive in the port of Constanta in the next few days, and to the decision recently taken in Vienna by the CSCE-EEC Coordinating Committee on enlarging the assistance mission teams which are already in Romania and improving their equipment.

These three elements, in addition to Romania's own efforts with respect to the observance of the embargo, will lead to increased efficiency and to a larger involvement of the Romanian authorities in this operation, Geoana said.

In concrete terms, he explained, the Romanian authorities and WEU experts are to begin a series of talks of a technical nature intended to harmonize their ideas and work out the details of their activity.

PSM Leaders Criticize Opposition, View Summit

AU0604082893 Bucharest ROMPRES in English 1532 GMT 5 Apr 93

[Text] Bucharest ROMPRES, 5/4/1993—Tudor Mohora, deputy chairman of the Socialist Party of Labor [PSM], assessed at a Monday, April 5, press conference that "the opposition undermines the foundation of Romania's state of law." He mentioned that the rejection of the censure motion in Parliament had caused a rift between pro-government political forces and the forces of the opposition. Tudor Mohora added that the latter were dragging on, were favoring excessive politization of debates with a view to undermine the democratic institutions, and as a priority, to cause the fall of the government. The speaker exemplified his ideas with the recent "Democrats' forum," during which "essential tenets of the state were questioned, including a number of provisions of the Constitution." The PSM leader drew attention on "the obvious radicalization of the Democratic Union of Hungarians in Romania [UDMR]." The problem of the appointment of prefects in the counties of Harghita and Covasna is "exaggerated," and it can stock tension. "We do not ask that UDMR be forbidden, but by refusing to act in keeping with the Constitution, UDMR is out of law."

In answer to a question regarding the recent interview between Presidents Clinton and Yeltsin, Mohora said its results were "insignificant." The relief the Americans promised to the Russians is a "drop in an ocean." PSM Chairman Ilie Verdet added that the fate of Russia was in the hands of the Russians, who elect their leaders and choose a way towards democracy.

Vacaroiu Holds Meeting With Trade Union Leaders

AU0604090393 Bucharest ROMPRES in English 1635 GMT 5 Apr 93

[Text] Bucharest ROMPRES, 5/4/1993—Following claims forwarded to the Romanian Government on the occasion of the protest march organized by the Univers Trade Unions Confederation, a meeting took place at the government headquarters Monday, April 5, between representatives of that trade union confederation and Premier Nicolae Vacaroiu.

For six hours the parties examined, item by item, the claims listed in the protest note, with special attention to matters related to the collective employment contracts per field of activity in 1993, as well as to clearing the financial block in telecommunications and in production and distribution of electricity and natural gas.

As that trade union confederation also has other problems that were not comprised in the protest note, the premier manifested his willingness to examine those too in a future meeting with Univers representatives.

Izetbegovic Discusses Peace Plan

AU0504155393 Hamburg DER SPIEGEL in German 5 Apr 93 pp 173-174

[Interview with Alija Izetbegovic, president of the Bosnia-Herzegovina Presidency, by unidentified reporter; place and date not given: "The Cleansing Operation Is Practically Complete"]

[Text] [DER SPIEGEL] The cease-fire in Bosnia is fragile. Do you believe that the Vance-Owen plan that you have signed has a realistic chance?

[Izetbegovic] I did not sign this document because I believe in it, but because its rejection would have resulted in a difficult situation for us. The odds for implementation of this plan are slim. At least, however, we have isolated the Serbian chetniks as aggressors.

[DER SPIEGEL] Was the viability of an independent republic of Bosnia-Herzegovina an illusion?

[Izetbegovic] A joint multicultural and multinational state of all three peoples will certainly not be possible in the near future. It is not our fault. At least the Vance-Owen plan confirms Bosnia-Herzegovina's existence as a sovereign state and eliminates two states that have formed on our territory like a cancerous ulcer—the so-called republic of Serbia [in Bosnia-Herzegovina] and the Croatian Herzeg-Bosnia.

[DER SPIEGEL] You apparently face more than one enemy. The Croatian press views the Muslims increasingly as enemies and not allies.

[Izetbegovic] There is a group in Croatia that does not want to understand that one cannot create a state within a state. The Croatians want an autonomy that goes far beyond that provided by the Vance-Owen plan.

[DER SPIEGEL] Who is the leader of the radicals? President Tudjman?

[Izetbegovic] No, the local Croatian leader Mate Boban, who represents the shortsighted view of some Croatian politicians from western Herzegovina. They want to rule absolutely over part of our republic.

[DER SPIEGEL] Last year you also suspected Tudjman of trying to capture part of Bosnia-Herzegovina.

[Izetbegovic] Tudjman is realistic. He stands between the radicals and the moderates. He must take Europe into consideration.

[DER SPIEGEL] You linked your signature in New York to eight conditions. One is conviction of war criminals by the International Court of Justice in The Hague. Can this condition be fulfilled?

[Izetbegovic] There will be no Nuremberg trial. Only a complete Serbian defeat would make the physical presence of the incriminated politicians possible. Yet, a trial will be held during which people will be declared war criminals on the basis of evidence.

[DER SPIEGEL] What will be the consequences?

[Izetbegovic] Sentences will probably not be passed, but the war criminals will have to continue living isolated in their own country.

[DER SPIEGEL] What are the major shortcomings of the peace plan?

[Izetbegovic] The autonomy of the provinces is excessive and the authority of the central government is insufficient. Moreover, the future Bosnia-Herzegovina will have no army while Serbia will continue to be armed in the immediate neighborhood. Thus, we must insist on international guarantees for our security.

[DER SPIEGEL] Was ethnic cleansing legalized with the division into cantons?

[Izetbegovic] The cleansing operation is practically complete, in spite of all the Western promises. Our people are melting like snow. The Serbs, however, would have to give back 10 communes completely and nine partially within 45 days of signing the agreement.

[DER SPIEGEL] Do you see any chance at all of stopping this war?

[Izetbegovic] The war will continue even if Serbia should truly agree to the peace plan. Local commanders have threatened that they will go on fighting. Armed gangs will continue to endanger Bosnia-Herzegovina's security for many years to come.

[DER SPIEGEL] Such gangs exist among your ranks, too.

[Izetbegovic] Our Armed Forces developed spontaneously. Private armies with 200 to 300 fighters also formed in this respect. We tried to build one national army. As a matter of fact, we are protecting 1 to 2 million people from the chetniks.

[DER SPIEGEL] Do you believe that the West would have acted more decisively if the victims of this war were not Muslims but Christians?

[Izetbegovic] I am convinced of that. Yet, it is also true that the West reacted quite indifferently to the killing of the Croatian Christians. With their propaganda about a religious war, the Serbs are looking for an excuse to involve the Orthodox brethren—Romanians, Greeks, and Russians—in this war.

[DER SPIEGEL] The Serbian leader Karadzic warned that the signing of the peace plan might seal his own political fate, with much more radical politicians possibly succeeding him.

[Izetbegovic] He will still have to bow to international pressure and sign the peace plan. Yet, he will only

observe the plan if somebody forces him to. If he does not sign, Serbia would be isolated at an unprecedented international level.

[DER SPIEGEL] Did you receive specific promises in New York as to how the West will react in the event of a prolonged war?

[Izetbegovic] We were assured that Karadzic will have to observe the plan if he signs it. Otherwise he will be forced to do so.

[DER SPIEGEL] You have threatened to withdraw your signature if fighting should continue. How long do you want to wait?

[Izetbegovic] About two weeks.

[DER SPIEGEL] Your Foreign Minister Silajdzic accused the United Nations of killing civilians because the weapons embargo has not been lifted.

[Izetbegovic] If Karadzic does not sign the Vance-Owen plan, the Security Council will have to consider lifting the embargo. Strengthening of our troops would serve peace. The military imbalance only encourages Serbia.

[DER SPIEGEL] What territories would you like to recapture?

[Izetbegovic] We would fight for a legal government in Bosnia-Herzegovina, consisting of Serbs, Croatians, and Muslims—and for the multinational state of Bosnia-Herzegovina.

[DER SPIEGEL] Did you suddenly have doubts when you declared recently that the war would not have taken place if you had remained within Yugoslavia?

[Izetbegovic] We were at a crossroads a year ago. I would never have advised my people to remain within a Yugoslavia led by Milosevic. In a reformed Yugoslavia, however, Muslims could have lived too. When this was no longer possible, I tried to achieve the separation through civil procedures because I knew that a massacre would take place. The war was preordained. It was our fate.

Serbs End Blockade of UN Convoy to Srebrenica

AU0604102993 Paris AFP in English 1019 GMT 6 Apr 93

[Text] Belgrade, April 6 (AFP)—An 18-truck U.N. convoy heading for the besieged eastern Bosnia town of Srebrenica was blocked Tuesday [6 April] at the Serbian border by Serb militia but later allowed to cross into Bosnia, a U.N. spokeswoman said here.

The convoy, which left here earlier Tuesday, should reach the besieged town at about noon (1000 GMT), U.N. High Commissioner for Refugees (UNHCR) spokeswoman Lyndall Sachs told AFP.

Nine trucks will take aid into Srebrenica and then evacuate civilians, the ill, women and children with the nine other trucks waiting for them near Bratunac, 15 kilometres (nine miles), from Srebrenica to hold alleviate the eventual crush of refugees.

The 18 trucks will then head for Tuzla, a Bosnian town under Moslem control, 75 kilometres (45 miles) to the northwest.

According to U.N. officials, about 800 people will be evacuated daily until a total 10,000 people have been brought out of Srebrenica, which is besieged by Serb forces.

The convoy was stopped at the Zvornik bridge leading from Serbia to Bosnia by Captain Vlado Dakic, known as "the king of the bridge", Sachs said.

Dakic said he did not have enough people to inspect the trucks. He said this was due to a Serbian holiday. He did not provide further details.

UN Aid Convoy Leaves Srebrenica Without Refugees

AU0404151493 Paris AFP in English 1500 GMT 4 Apr 93

[Text] Belgrade, April 4 (AFP)—A humanitarian convoy that delivered food Sunday [4 April] to the besieged Moslem enclave of Srebrenica was not allowed by town officials to evacuate any civilians, said Lyndall Sachs, a UNHCR [Office of the UN High Commissioner for Refugees] spokeswoman in Belgrade.

The eight-truck convoy delivered the food in the morning to the eastern Bosnian town and left in early afternoon to join eight other trucks in neighboring Bratunac. The 16 trucks had expected to evacuate about 1,200 of Srebrenica's 60,000 civilians, many of them refugees from other villages, but local authorities would not allow the evacuation.

Sachs said the trucks were on their way to the town of Zvornik Sunday afternoon and that officials from office of the United Nations High Commissioner for Refugees (UNHCR) were negotiating with local authorities in Srebrenica to be allowed to evacuate the most serious cases.

Bosnian officials have previously accused the United Nations of aiding the Serbs in their "ethnic cleansing" campaign by evacuating the region's Moslem population.

Sachs said the UNHCR would continue delivering food to the town which has been besieged by the Serbs for several months.

Sachs could not confirm Sunday a report by the Bosnian Serb SRNA news agency stating that Bosnian forces in Srebrenica had opened fire on civilians demonstrating against the decision not to allow them to leave the town.

Tuzla-Srebrenica Air Bridge Resumed

LD0404177193 Belgrade TANJUG Domestic Service in Serbo-Croatian 1542 GMT 4 Apr 93

[Text] Zvornik, 4 April (TANJUG)—The air bridge between Tuzla and Srebrenica, established on 24 March to evacuate wounded Muslims and suspended on several occasions, has been resumed today.

Two UN helicopters from Tuzla landed at the Zvornik stadium. After a regular check-up they took off for Srebrenica at around 1600.

According to Serb military sources, the helicopters did not stop in Zvornik on their flight back from Srebrenica. Earlier, Serb republic [in bosnia-Herzegovina] president Radovan Karadzic issued permission allowing the air bridge to be open until 4 April.

According to the Zvornik garrison of the Serb Republic army, no UN helicopter flights from Tuzla to Srebrenica have been announced for tomorrow. It was agreed earlier that this should be done 24 hours in advance. In Zvornik, however, they have not ruled out the possibility that flights for tomorrow will be announced at the last minute.

Izetbegovic Approves Srebrenica Evacuation

LD0404212593 Belgrade TANJUG in English 2012 GMT 4 Apr 93

[Text] Belgrade, April 4 (TANJUG)—United Nations High Commissioner for Refugees (UNHCR) representative in the former Yugoslav Republic of Bosnia-Herzegovina Jose Maria Mendiluce said on Sunday [4 April] that Moslem leader Alija Izetbegovic had "sent the authorities in Srebrenica directives to evacuate those who were most threatened...and that many were in such a situation."

During a meeting on Sunday, Mendiluce intervened with Izetbegovic over the Srebrenica authorities' refusal to allow the evacuation of civilians, said Moslem controlled Radio Sarajevo. The authorities in Srebrenica believe that evacuation helps the Serbian side and regard it as a form of ethnic cleansing, said Mendiluce.

A UN humanitarian convoy of 16 trucks returned empty to Bratunac from Srebrenica on Sunday. The local authorities did not allow the evacuation, and this resulted in a mass protest by citizens in front of the local post office.

There are about 30,000 refugees from Konjevic Polje, Cerska and some other villages in Srebrenica, said Mendiluce in a statement carried by Radio Sarajevo. Srebrenica cannot receive all the refugees, said UNHCR [Office of the UN High Commissioner for Refugees].

Srebrenica is a Moslem enclave in eastern Bosnia-Herzegovina where a civil, ethnic and religious war has been raging for the past year between local Moslems, Serbs and Croats.

President Appeals to Clinton To Help Stop Attack

LD0504205593 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2000 GMT 5 Apr 93

[Text] Alija Izetbegovic, president of the Bosnia-Herzegovina Presidency, sent an urgent message today to U.S. President Bill Clinton. The message says: The latest enemy offensive on Srebrenica created [word indistinct] of civilians, mainly women, children, and refugees from surrounding villages [word indistinct] in an extremely critical situation. I plead with you to do everything within your powers to stop the aggressor. This is the last moment to prevent the biggest human catastrophe since the Second World War.

Srebrenica Seeks Morillon's Return

AU0504191493

[Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 1700 GMT on 5 April reports cease-fire violations in Srebrenica, Brcko, and Tuzla.

As the studio announcer says, "the situation in Srebrenica is more than dramatic." Supposedly, "the residents are very upset because the aggressor's armed vehicles are getting closer." The announcer says that there are "more than 400 seriously injured civilians" in the local hospital.

A report from the Srebrenica press center cites "intense shelling of our fighters" on the southeast defense lines. According to the report, mortars and tanks are being used in the attacks. The report also notes "regrouping of aggressor infantry and armored-mechanized units in (?Zeleno Jadro)." It is reported that "mortars from the direction of Bratunac" fell on the northwest defense lines today. "In view of the deteriorating situation in Srebrenica, we demand that General Morillon [commander of UN Protection Force for Bosnia-Herzegovina], immediately return to Srebrenica, halt the offensive, and fulfill the promises he has given to these people," the report says, otherwise he will be considered "an accomplice in everything that happens subsequently."

Tuzla correspondent Salih Brkic says that cease-fire violations in the area began "early this morning." As he says, "the chetniks today continued their attacks in Majevica, Zivinice, and in the afternoon on the Lukavac battlefield." "The shelling of Kladanj started early this morning and continued intermittently throughout the day," Brkic says, adding that howitzers and tanks were used in the attacks. He says that there were no casualties in the shelling. "The defenders of Tuzla and Zivinice were also attacked occasionally during the day," Brkic continues. He reports that Kalesija and Celic "were more peaceful today."

Hamiz Deronjic reports from Brcko that "increased movements and regrouping of enemy armored-mechanized units and manpower have been noted in the last 24 hours." "More chetnik tanks were noticed near

the Izvor factory in Brcko this morning," Deronjic says, and "according to the reports of our surveillance units, a larger convoy of aggressor heavy transport vehicles was advancing from Brcko toward Loncari this afternoon."

"It seems that tonight will be somewhat more peaceful," says correspondent Irfan Calo in Sarajevo. He reports "sporadic chetnik provocations from infantry weapons" on the outskirts of the Stari Grad commune. He also reports sniper fire from Nedjarici and concludes that "there were no significant aggressor activities around Centar, Novi Grad, Dobrinja, Stup, and Vogosca this evening."

Military Commanders Arrive in Sarajevo for Talks

AU0604105793 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1000 GMT 6 Apr 93

[Report by Zoran Pirolic from Sarajevo airport]

[Text] The meeting of the military commanders at Sarajevo airport has still not begun, and the arrival of the Bosnia-Herzegovina Army delegation is expected. As we know, the Supreme Command of the Bosnia-Herzegovina Army has sent a letter to UNPROFOR [UN Protection Force] Headquarters, saying that this meeting makes no sense unless the current offensive against Srebrenica is halted and with it the destruction of the town in which there are around 60,000 people.

General Lars-Eric Wahlgren, UNPROFOR commander for the former Yugoslavia, General Philip Morillon, UNPROFOR commander for Bosnia-Herzegovina, Cedric Thornberry, head of the UNPROFOR civilian section, and Jose-Maria Mendiluce, UNHCR representative, have already arrived. Brigadier Milivoj Petkovic arrived to represent the Croatian Defense Council, while General Milan Gvero is there for the aggressor's side.

General Zvonimir Crvenko is present for the Croatian Army, while General Jevrem Cokic is representing the army of so-called Yugoslavia.

No one wanted to say anything about their expectations concerning this meeting, apart from General Morillon. According to him, the meeting should focus on the observance of the agreement on Bosnia-Herzegovina, the demilitarization of Sarajevo, humanitarian corridors, and other military matters. Morillon is aware of the gravity of the situation in Srebrenica, but he still hopes that today's meeting at the airport will be held.

This is Zoran Pirolic reporting for the midday newscast of Radio Bosnia-Herzegovina.

Army Command 'Cannot' Take Part in Talks

LD0504225493 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2200 GMT 5 Apr 93

[Text] The supreme command of the armed forces of Bosnia-Herzegovina has sent a letter to General Wahlgren, commander of the UN forces for former Yugoslavia, to inform him that because of the unimaginable continuation of the aggression on the free territory of Srebrenica, the command cannot, for moral reasons, take part in tomorrow's negotiations.

The letter says that the defense lines from Zeleni Jadar to the villages of Puspulici, Skenderovici, Pribicevac, and Gradina, the Sasa defense line [words indistinct] km away from Srebrenica are exposed to attacks by strong infantry forces with artillery support from the territory of Serbia. Before the eyes of the international community, a genocide is taking place which is tolerated through silent acceptance of its implementation, so far unprecedented in history, the letter says.

Karadzic 'Encouraged' by Christopher Statement

LD0404182493 Belgrade TANJUG in English 1710 GMT 4 Apr 93

[Text] Belgrade, April 4 (TANJUG)—Radovan Karadzic leader of the Serbs in Bosnia-Herzegovina where an ethnic war is raging, said on Sunday [4 April] that he was encouraged by U.S. Secretary of State Warren Christopher's statement that corrections of the proposed map for the ethnic division of Bosnia-Herzegovina were possible.

On Saturday Christopher announced the possibilty of corrections being made on the map, in order to make it more acceptable to the Serbs, the only one of the three warring sides in Bosnia-Herzegovina which did not approve the proposal for the division of Bosnia-Herzegovina into ten provinces, as proposed by cochairmen of the international conference on the former Yugoslavia Cyrus Vance and Lord Owen.

Karadzic asseesed Christopher's statement as a sign that the United States was not ready to enforce a solution which would be opposed to the free will of one of the three constituent peoples of Bosnia-Herzegovina, in an interview to TV-REUTER.

Karadzic denied claims that the Serbian Republic in Bosnia-Herzegovina assembly, which sat in Bileca on Saturday, had rejected the Vance-Owen peace plan. Karadzic said he hoped that the declaration adopted in Bileca, "would be less harsh" towards the peace plan, and underscored that the Vance-Owen plan had not been rejected outright.

The assembly of the Serbian Republic in Bosnia-Herzegovina, a state proclaimed by Serbs in territories under their control, did not reject the Vance-Owen peace plan in its entirety, but only the map, which, according to Bosnian Serb assessments, is greatly to the detriment of the Serbs in Bosnia.

Serbs are the second-largest people in Bosnia-Herzegovina (31 percent) and under the Vance-Owen plan, they would be accorded only one-fifth of republic's resources and 43 percent of its territory, even though they own 64 percent according to land registers. Nearly

half of the total number of Bosnian Serbs would remain in non-Serbian provinces and their links with Serbia would be severed.

Karadzic appealed to the international community to uphold the setting up of direct negotiations between the three warring sides—Serbs, Croats and Moslems. He expressed the belief that the year-long war in Bosnia-Herzegovina could come to an end after "face-to face" talks. Karadzic did caution, however, that there "would not be any peace as long as the international community continued with pressures on one side only, while encouraging the other two to fight."

Croats Insist on Withdrawal of Muslim Units

LD0304203293 Zagreb Radio Croatia Network in Serbo-Croatian 1700 GMT 3 Apr 93

[Report by correspondent Slavko Rako from Herzegovina]

[Excerpt] At a session today attended by Mate Boban, president of the Croat community of Herzeg-Bosna, the Croatian Defense Council [HVO] discussed the Vance-Owen plan and stressed that it is the optimal plan but possible only within Bosnia-Herzegovina as a state based on the equality of the three nations. According to the statement from the session, it was concluded that the temporary system of authorities which has already been established on the territory of the Croat community of Herzeg-Bosna is in line with the competences of future provincial authorities. The temporary system will remain in force in provinces Nos. 3, 8, and 10.

A joint statement from Mate Boban and [Bosnian President] Alija Izetbegovic was presented. Mate Boban has already signed it and Alija Izetbegovic's signature is expected. The statement says that there are no disputes between Croats and Muslims regarding the provincial borders and temporary authorities. The HVO army and police units as well as the units of the Bosnia-Herzegovina Army and police not belonging to certain provinces should be identified and pulled out of the province in question.

Until the demilitarization of Bosnia-Herzegovina is carried out, the main headquarters of the Bosnia-Herzegovina Army should take over the command of all armed units in provinces Nos. 1, 5, and 9. The main HVO headquarters should take command in provinces Nos. 3, 8, and 10. According to the statement, if Alija Izetbegovic does not sign this document, the measures proovided for in the Vance-Owen plan, to the effect that national units should retreat to their provinces, will be implemented. Failing that, the HVO will carry it out in provinces Nos. 3, 8, and 10.

It is also stressed that all attempts by the one-sided Sarajevo Presidency to install bodies of authorities will be thwarted. [passage omitted]

Serb Parliament Proposes 'Pan-Serbian Assembly'

LD0304132693 Belgrade TANJUG Domestic Service in Serbo-Croatian 1228 GMT 3 Apr 93

[Text] Bileca, 3 Apr (TANJUG)—At today's extraordinary session in Bileca, the National Assembly of the Serb republic of Bosnia-Herzegovina launched an initiative on the holding of a pan-Serbian assembly that would, it was said, adopt a Serbian national program. The deputies of the Serb republic's parliament believe that this assembly should take place in Novi Sad [Vojvodina], Podgorica [Montenegro], or Belgrade.

Bosnian Serbs Agree on Release of Prisoners

LD0504222193 Belgrade TANJUG in English 2143 GMT 5 Apr 93

["Pool" item]

[Text] Belgrade, April 5 (TANJUG)—Minister for Health of the Bosnian Serb Republic Dragan Kalinic on Monday [6 April] reaffirmed the Serbs' readiness to abide fully by an agreement on a release of all prisoners of war, and said he hoped the Moslems and Croats would do the same.

Kalinic was speaking to the chief delegate of the International Committee of the Red Cross (ICRC) Thierry Germond, with whom he discussed the continuation of the action of closing down all detention camps in Bosnia-Herzegovina, freedom of movement of civilians, and the flow of humanitarian aid to the population of the region.

The agreement calls for the release of a total of 2,704 prisoners on all three sides.

Pointing out that there was a big difference in the types of prisoners held by the three sides, Kalinic said some 1,100 of the 1,300 Moslems and Croats held by the Serbs were soldiers—prisoners of war—while the other two sides held many more Serb civilians than combatants.

Of the 396 Serbs held captive in Croat prisons who are on the exchange list, just 70 are soldiers, while the rest are civilians. In the case of the Moslem camps, just over one-half of the roughly 1,000 Serbs held there are soldiers, and the rest civilians.

Serb Liaison Officer in the ICRC Miroslav Popovic, who took part in the talks, said that Kalinic had pointed out that the ICRC did not have a list of all Serbs held captive in Bosnian Croat- and Moslem-run camps.

The ICRC's lists of Serbs held in captivity do not tally with those drawn up by the Bosnian Serbs—according to a Croat list, there are just 70 Serbs in detention in Livno (western Bosnia), while the Bosnian Serb authorities say there are six hundred.

"We have information indicating that some of those Serbs have been transferred to prisons in Croatia," Popovic said.

According to a list the ICRC got from the Moslems, there are just 150 Serbs in detention on Sarajevo, but this, Popovic said, refers only to Serbs held in the central prison and the former "Viktor Bubanj" army barracks. Several hundred Serbs held captive in the Zetra sports hall, the cellars of Hotel Zagreb and many privately operated prisons in the city do not appear on the list, Popovic said.

It was agreed at the meeting that Germond will meet Bosnian Serb Republic Army Commander General Ratko Mladic in a week's time, Popovic added.

The representatives of the Bosnian Serb Republic once again raised the question of the realization of an agreement providing for the freedom of movement of civilians and the evacution of Serbs from Tuzla, Zenica, Sarajevo, Mostar and other towns controlled by Croats and Moslems, who are not honouring the agreement although they signed it last summer.

Internal Clashes Among Serbs in Banja Luka Reported

AU0504203993 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 5 Apr 93

[Text] The Bosnia-Herzegovina Ministry of Internal Affairs reports in today's statement on new armed clashes among the chetniks in Banja Luka.

In mid-January a number of Milan Martic's [Krajina interior minister] followers stationed in Banja Luka refused to go to the battlefields around Brcko and Gradacac. They obtained two buses to try to escape Banja Luka in. As the commanders of the Martic units ordered that this be prevented at all costs, Zolja rockets were fired at these buses, killing and wounding several chetniks. Another 180 disobedient Martic followers were arrested and remain in the central Banja Luka prison.

The arrogance of the chetniks in Banja Luka fatally returned to them like a boomerang. A rowdy gang commanded by Radovan Bisic, a former Slavija club boxer, tried to hit the Catholic church in Banja Luka with artillery fire from the Banja Luka fort [kastel]. Luckily, they missed this target and hit the hall of the former Yugoslav People's Army instead, where several aggressor units were stationed, killing and wounding many people.

HVO Leader Discusses Herzeg-Bosnia's Role

AU0504123693 Sarajevo OSLOBODJENJE in Serbo-Croatian 19-26 Mar 93 pp 3, 4

[Interview with Jadranko Prlic, head of the Croatian Defense Council [HVO] of the Croatian community of Herzeg-Bosnia, by Alija Behram and Nenad Zujo; place and date not given: "Herzeg-Bosnia is Building and Not Destroying Bosnia-Herzegovina; first two paragraphs are OSLOBODJENJE introduction]

[Excerpts] "The only road which leads out of the Bosnia-Herzegovina tunnel is the Vance-Owen plan. The Croatian side was the first to accept it, although it was not entirely satisfied with it. But we adopted a realistic attitude. The crisis in Bosnia-Herzegovina will be solved through compromises, in which each side will have to give up certain things. The Muslim delegation will probably soon sign the entire peace plan package, so what remains is the problem of how to implement the agreement. This is objectively the only way to stop this war. Every other solution will lead to more conflicts and suffering, regardless of the end result. If the Muslims soon accept this plan, the Serbian side will remain isolated, and according to what indications we have, sharp economic, and I also believe and expect military sanctions, will be prepared. This would not only force the Serbs to sign the entire package, it would also force them to implement it...."

This is what Jadranko Prlic, head of the HVO for the Croatian community of Herzeg-Bosnia, said in an interview to OSLOBODJENJE, while commenting on the latest round of New York talks between the political representatives of the three peoples of Bosnia-Herzegovina. Prlic was deputy prime minister of the Bosnia-Herzegovina Government just before the multiparty system was introduced into Bosnia-Herzegovina's political life. As a financial expert, he was the candidate of Bosnia-Herzegovina's branch of the HDZ [Croatian Democratic Community] for the post of governor of the National Bank of Bosnia-Herzegovina. Before the war broke out, he was the manager of the APRO [expansion unknown] system. He is also an associate professor at the University of Mostar.

Military Allies, Political Opponents

[OSLOBODJENJE] How do you see the current military situation?

[Prlic] Our defense lines, from Livno and Tomislavgrad through central Bosnia and Usor in Bosanska Posavina, to the southeastern part of the front, are stable. We have achieved a military organization that guarantees security in these areas.

[OSLOBODJENJE] The relations between the HVO and the Army of Bosnia-Herzegovina have gone through many phases, but they have often been subject to tension and disagreements, while in central Bosnia, tragic conflicts have occurred. Was all this unavoidable?

[Prlic] It seems so. We should have formed a joint command a long time ago. The agreement was reached eight months ago. However, the Muslim side did not want to put this agreement into operation, because it insisted that the Army of Bosnia-Herzegovina was the regular army of the state of Bosnia-Herzegovina, while the HVO was a part of this army, which we did not want to accept. The HVO was formed earlier, and it was the first to defend Bosnia-Herzegovina. Our attitude was that the Army and the HVO would be treated equally, and that all relations would be based on parity. Obviously, the so-called official bodies of the

republic, the Muslim government that is, did not play fair in all of this. To remind you, the HVO as an armed force was recognized by this government in August 1992, when Mostar had already been liberated and the war had been going on for 10 months. For us, the war in Bosnia-Herzegovina began when Ravno was attacked, when reservists from Serbia and Montenegro came to Herzegovina.

[OSLOBODJENJE] What is obstructing the implementation of the Halilovic-Petkovic military accord?

[Prlic] Actually, there are no obstructions. We initiated this agreement because we thought that any kind of conflict between military allies would be harmful to the defense of Bosnia-Herzegovina and it would only benefit the aggressor. I think that a necessary degree of mutual trust was absent in this whole process. Military allies were simultaneously also political opponents, and this led to the conflicts in central Bosnia, with all the consequences that we had there. We managed to overcome these conflicts because it was in our mutual interest.

All Decisions—Temporary

[OSLOBODJENJE] Just recently, Franjo Boras, a member of the Presidency of Bosnia-Herzegovina, announced that the HDZ was ready to reintegrate the Croatian Community of Herzeg-Bosnia into the state and constitutional framework of Bosnia-Herzegovina, providing the Muslim delegation signs the Vance-Owen plan.

[Prlic] The Croatian side will entirely respect what will be signed and what the international community will stipulate as a form of organization.

[OSLOBODJENJE] Let us resolve all the dilemmas: if the other side signs this plan, does this mean that Herzeg-Bosnia will cease to exist?

[Prlic] I believe that Herzeg-Bosnia will continue to exist as a political framework fro the Croatian people, since it is not completely encompassed in the three provinces. However, it is still to early to say anything concrete.

[OSLOBODJENJE] The Bosnian authorities were not in favor of the Croatian community of Herzeg-Bosnia. They always preceded it with the adjective so-called. On the other hand, the HVO insisted that legitimate Bosnian authorities practically do not exist?

[Prlic] The Croatian community of Herzeg-Bosnia is as legitimate as the current legitimate authorities of the republic. Herzeg-Bosnia was formed by representatives that were elected in free elections, in the same way as the republic's government, which was elected by the Presidency of the republic in accordance with the Constitution of Bosnia-Herzegovina. The issue of legitimacy is an academic one, and it should not be discussed in greater detail, especially in view of the war and the conflicts. All the decisions made by Herzeg-Bosnia, the HVO that is, of which I am head, are based on decisions about the war and the immediate war danger made by the Presidency of Bosnia-Herzegovina. All these decisions are collected in the 14 People's Newspapers [Narodni list] published so far, and they are all temporary. Therefore, they are directly connected to this situation. The Croatian community of Herzeg-Bosnia had to be formed for purely practical reasons: since we had an army, the HVO, we had to secure the necessary logistical, financial and other support. You must admit that this was not possible with Sarajevo's support, because all this time Sarajevo had no economic policy that could function.

[OSLOBODJENJE] The Croatian community of Herzeg-Bosnia is creating "a state within a state"—that has been the most frequent complaint. The arguments were convincing: Many state organs have been suspended—the courts, the police, customs, the energy system, the currency of another state has been in circulation.... Can all this be justified by saying that it is "temporary" and necessary, since some kind of authority must function? Could all this not have been achieved by activating the existing state institutions in these areas?

[Prlic] Technically speaking, this was probably possible. However, we must keep in mind the entire period that we went through. You know the republican authorities' attitude towards Mostar, regardless of whether one was a Croat or a Muslim. To put it simply, the entire legal system that existed earlier was completely destroyed. We witnessed one of the most bizarre situations in monetary history. The Yugoslav dinar was in circulation, while at the same time, Yugoslavia was attacking us and throwing this dinar out of its monetary system! Had we waited for the republic's authorities to do something, we probably would not have been able to defend this territory. Let me be completely frank: The government neither recognized nor acknowledged the HVO. For example, of the 30 percent of foreign currency reserves that were allocated for the defense of Bosnia-Herzegovina, the HVO did not receive a dime—it all went to the Army of Bosnia-Herzegovina, which was deemed to be the only armed force. Therefore, keeping in mind all this and numerous other things, one can hardly condemn our action.

[OSLOBODJENJE] But all this led to a double authority?

[Prlic] Yes. Double authority does exist, especially in those areas were the population is mixed. However, even according to the Vance-Owen plan, those elements of authority that the Croatian community of Herzeg-Bosnia implemented from the start are in accordance with the principles of the republic's authorities.

A Transparent Party Game

[OSLOBODJENJE] So, you claim that the Croatian community of Herzeg-Bosnia is not a "state within a state", and that it has not dissolved the central authorities of Bosnia-Herzegovina?

[Prlic] The Croatian community of Herzeg-Bosnia is one of the foundations for the establishment and not the destruction of the future Bosnia-Herzegovina. Generally speaking, there is no central authority in the republic, and by establishing all the instruments of authority in these areas, we have also contributed to the establishment of the state of Bosnia-Herzegovina. If someone prefers to interpret this differently, then that is an entirely different matter. [passage omitted]

Against Anarchy

[OSLOBODJENJE] Nevertheless, the problems started with the announcement of the Muslim and Croatian peoples' goals. These goals did not entirely coincide.

[Prlic] True, but you have to know how many Croats there are in Bosnia-Herzegovina, what the possible range of the Croatian Army is, and whether it could have objectively done more that it did for the defense of the republic. On the other hand, in central Bosnia you have 25,000 troops of the Army of Bosnia-Herzegovina four-fifths of whom have never been near the front line with the chetniks. At the same time, you have Sarajevo, which has been blockaded for 10 months, and you have the situation in eastern Bosnia and elsewhere, where the Army of Bosnia-Herzegovina has been suffering a series of defeats. If we wish to liberate Bosnia-Herzegovina, we have to liberate it from the chetniks, not the Croats! [passage omitted]

[OSLOBODJENJE] The question of the media cannot be avoided. To what extent did it contribute to the conflicts and tension?

[Prlic] Let me say this right away: We do not consider Bosnia-Herzegovina's Radio and Television to be our media. They were against Mostar. For example, during the first three or four months of the war, information from these areas was broadcast in the 35th minute [of news bulletins]. And this was at the time of the most violent shelling and destruction. Later, this became Muslim television, the television of only one side in Bosnia-Herzegovina.

[OSLOBODJENJE] Muslim circles will say the same thing for HTV [Croatian Television]?

[Prlic] HTV is the television of the Croatian state, and the Croatian community of Herzeg-Bosnia does not have its own television. I do not read Bosnia-Herzegovina's press, so I do not know what their attitude has been. What I have seen, though, generally disregarded the role of the HVO.

[OSLOBODJENJE] To conclude, Jadranko Prlic says:

[Prlic] We have to respect the interests of our two peoples. By participating in the referendum, the Croatian people "established" Bosnia-Herzegovina. We are not looking for credit, or anything else. However, we do want to build a normal community in which we will be able to live normally, and in which our national and other interests will be respected. This state will not even closely resemble the former one. It can survive if it is based on completely different foundations, and if the interests of all three constitutive peoples are respected. This is reality and something that must be accepted before the international community. You cannot go on pushing your people into an abyss, while at the same time not taking any responsibility for all the victims and for all the material destruction.

Steps Toward RS, RSK Trade Union Integration

93BA0788C Banja Luka GLAS SRPSKI in Serbo-Croatian 15 Feb 93 p 7

[Article by S. Risovic: "A Step Toward Integration"]

[Text] Knin, 14 Feb—The Trade Union of the Serbian Republic [RS] and the Trade Union of the Serbian Republic Krajina [RSK] have taken a major step toward integration, because soon the two trade unions will be institutionally linked.

"We have made a visit to Knin," says Cedo Volas, president of the RS Trade Union. "We agreed on institutional, but not formal, linkage of the two trade unions, firmly convinced that very soon this will be one trade union of one state. That is, a coordinating committee of six members made up of three representatives of the RS Trade Union and three representatives of the RSK Trade Union will be working in Banja Luka. That committee's task is to coordinate the work of the two trade unions in all segments of their activity. We will also hold very frequent joint meetings of the presidiums of the trade unions concerning every issue vital to the two republics, and we will also present a joint and unified position."

The chairman of the coordinating committee of the two trade unions will be Cedo Volas, who also had this to say to us about the initiative to hold a joint assembly of the two republics and to call a referendum for unification of the RS and the RSK:

"The trade union is takin g a step forward from the agreement at the level of the government and parliament. In a joint meeting of the RS Assembly and RSK Assembly in Prijedor, a declaration was adopted on cooperation between the two republics in all areas of sociopolitical, economic, cultural, and athletic life, and concerning military cooperation in particular. In Knin, we discussed how to put life in the economy, how to obtain more stable sources of electric power, which is the main driving force of economic life in both republics. We have supported the will of the Serbian people of RS and RSK to hold a referendum, if the Vance-Owen plan falls through completely and there is no peaceful solution of the crisis in Bosnia and Herzegovina; respecting the democratic right of every nationality, the referendum would decide whether people want to live in one state. That is also a people, the Serbian people, which has always been artificially divided, and it is quite natural that it should want to be united again. The institutional linkage of the RS Trade Union and RSK Trade Union, I

hope, will be a qualitative step toward a common goal—creation of one state in these regions," Volas said.

At the meeting in Knin there was discussion, we heard from Milenko Sandic, president of the RS Trade Union, of how to provide material aid to the thousands of displaced persons in these difficult days which are crucial for the Serbian people in the RSK.

"The trade union in fact does not have any significant resources to commit to the purchase of food, drugs, and medical supplies, but it can organize the collection of humanitarian aid and will do so. We have already contacted the Trade Union of the FRY and the Serbian Trade Union. The first shipments of food, drugs, clothing, and footwear have already reached Knin," Sandic said.

Fighting Resumes in Krajina

LD0504131593 Belgrade TANJUG Domestic Service in Serbo-Croatian 1220 GMT 5 Apr 93

[Text] Knin, 5 Apr (TANJUG)—Since the early hours of this morning a fresh offensive by Croatian forces has been underway on all parts of the north-Dalmatian front, the main headquarters of the republic of Serb Krajina army stated today.

The headquarters stresses that civilian facilities continue to be the target of these attacks and that they are exposed to fierce mortar, artillery, and tank fire. Serb forces are successfully responding to all attacks by the Croatian army. They are holding their positions firmly and inflicting considerable losses in military equipment and manpower, the main headquarter stated.

Krajina Official Calls For Meeting of Assemblies

LD0504175593 Belgrade TANJUG Domestic Service in Serbo-Croatian 1514 GMT 5 Apr 93

[Excerpt] Novi Sad, 5 Apr (TANJUG)—The UN Security Council intends to set a new precedent; that is, to make a new mistake in the course of putting its systematic stranglehold on the Serbian people, Aleksa Buha, foreign minister of the republic of Serb Krajina, told Novi Sad radio today.

In all probability, he added, this will go on until a new power emerges; i.e., a counterforce that will be capable of saying no to such a practice, thus severing at least one link in this chain.

Following these steps, premeditated mistakes, and deliberately unjust moves, we will reconsider whether it makes sense any longer to cooperate with the international factors that are disregarding everything coming from our side anyway as they take their own course of action, Buha cautioned. "Perhaps we would be better off if we withdrew from all this since our arguments are not being taken into account, nor are our suggestions or the true state of affairs or anything else coming from the Serbian side," he added.

Commenting on the initiative of deputies of the people's assembly of the Serb republic [of Bosnia-Herzegovina] to hold a session by 25 April, Buha said that the deputies of every current Serbian assembly—the people's assembly of Serbia, the Serbian republic, the republic of Serbian Krajina and the Republic of Montenegro—should be invited to this session.

Buha commented (while expressing the reservation "if my information is true") on a statement by Momir Bulatovic, president of the Republic of Montenegro, on convening an all-Serbian assembly that Montenegro is a citizens' state and that this cannot be a matter within their assembly's powers; i.e., Montenegrin deputies cannot attend an all-Serbian assembly session in their national capacity, particularly not in their capacity as Serbian nationals.

In this context, Aleksa Buha recalled Momir Bulatovic's address at the ceremony marking the Vucji Dol battle when he rightfully articulated a certain formula according to which the Montenegrins are Serbs by their surnames and Montenegrins by their forenames and insisted that this should always be borne in mind. [passage omitted]

Krajina Urges Extension of UNPROFOR Mandate

LD0504230593 Belgrade TANJUG in English 2206 GMT 5 Apr 93

["Pool" item]

[Text] Vojnic, Krajina, April 5 (TANJUG)—[Words indistinct] municipalities in the southwest of the U.N.-protected Republic of Serb Krajina (R.S.K.) on Monday [6 April] said that the mandate of the U.N. Protection Force (UNPROFOR) in the R.S.K. should be extended for a period within which it would be possible to negotiate a political solution to the conflict between Croatia and the R.S.K. which should take into consideration the right of the people to self-determination.

The mayors of towns in the Kordun, Banija, Lika and Dalmatia regions, who make up the Regional Council of the Serb Krajina, believe that the extention of UNPROFOR's mandate for another three months is less than adequate in view of the exacerbated conflict, said a statament released from the council's session.

The R.S.K. has been proclaimed by majority Serbs in those parts within the Communist-era boundaries of Croatia where they had lived for centuries, in response to Croatia's violent secession from Yugoslavia. In keeping with a plan devised by international mediator Cyrus Vance to put an end to the ensuing war, the R.S.K. has been placed under U.N. protection pending a political solution.

Unwilling to wait for a political settlement, Croatia launched an offensive on the U.N.-protected R.S.K. on January 22. The aggression continues, despite a U.N. resolution ordering Croatia to withdraw to behind the U.N. truce line.

The Serb Regional Council described as absolutely unacceptable the U.N. Security Council's Resolution 815, especially its preamble, which describes the R.S.K. as an integral part of Croatia.

"With this attitude, the Security Council is in violation of the U.N. charter, and takes decisions with a political force, which is beyond its competences," said the statement released after the session of the Regional Council.

The Regional Council said the Security Council could count on the cooperation of the Serb Krajina to guarantee the safety of UNPROFOR personnel in the area, which should preclude the need for activating Chapter 7 of the U.N. Charter (which envisages for use of force), at least where the R.S.K. is concerned.

Tudjman on Bosnia, Government, 'New Offensive'

LD0504163293 Zagreb Radio Croatia Network in Serbo-Croatian 1100 GMT 5 Apr 93

[News conference given by Croatian President Franjo Tudjman in Zagreb—live]

[Excerpts] [Moderator] I am opening the regular monthly press conference by President of the Republic Franjo Tudjman. You can start asking questions.

[Unidentified journalist] Mr. President, why is resolution 815 interpreted in different ways among opposition parties in Croatia, while in Serbia on the other hand it has caused—we could almost say—real fear? And what impact will the meeting between Presidents Clinton and Yeltsin have on the situation in Croatia and Bosnia-Herzegovina, especially on halting the war? Thank you very much.

[Tudjman] I do not know who you are referring to when you say that the resolution is interpreted in different ways. Certain criticisms have been voiced by opposition leaders as far as I know, although I cannot say that I am fully familiar with everything that has been said. However, it is clear that resolution 815 has great importance not only in respect to the UN Protection Force [UNPROFOR], but also in respect to the strengthening of Croatia's international position. The resolution explicitly confirms that the UNPROFOR zones are in the territory of the sovereign Croatian state, and it guarantees the territorial integrity of the Republic of Croatia. Therefore, that is the most important part of the resolution.

Consequently, the Serb side is more than panic-stricken because they had hoped that, considering the war in Bosnia-Herzegovina, they could launch the issue of their right to the unification of the Serb lands, as has been their goal from the very beginning, from the first days of the aggression against Croatia. There are therefore good reasons for Serbs to be not only dissatisfied but deeply worried about the resolution.

I do not, however, see any reason for the Croatian side to view the resolution differently. In fact, the most important and positive things [pauses], instead of building Croatia's policy on this international recognition of sovereignty and territorial integrity, to bring into question, to say that in that way Croatia's international position is weakened [sentence as heard]. This is in a way completely incomprehensible and it shows that the people who say such things are not familiar with the topics they are discussing, and are particularly unfamiliar with the international situation.

After all—let me now deal with your second question—it is clear that the crisis in the former Yugoslavia must be viewed in the framework of the global situation. The current world situation is fraught with trouble spots, political crises, hotbeds. The spreading of conflicts in any area—from the Balkans to the Caucasus, to the Baltic countries, the Far East or the Middle East—can cause a war in which, if it reaches a large enough scale, nuclear weapons will be used. If I am not mistaken, approximately 25 countries now possess nuclear arms. In connection with this, it is certain that the talks between Presidents Clinton and Yeltsin must have a certain impact on solving, or at least on trying to avoid, further tensions or the escalation of war conflicts in all current hotspots, and especially in such a hotspot as Bosnia-Herzegovina or the former Yugoslavia as a whole is today. All this is interconnected and cannot be separated.

The success of Croatia's state policy lies in its ability to coordinate Croatia's national and state interests with the situation in the world, and therefore—on the basis of its principled policy—gain the support for its interests of even those countries which were in favor of preserving the former Yugoslavia and were not in favor of the creation of sovereign and independent Croatia. Considering all this, we can expect the talks between Presidents Clinton and Yeltsin [pauses], seeing that both countries—the United States as the world's major power and the main factor in the creation of the world's new democratic order, and Russia which despite its internal turmoil has remained a great power, particularly because there are nuclear weapons on its territory, and not only in Russia, but in three other countries which have been created in the territory of the Soviet Union as well [sentence as heard]. Russia will therefore continue to play an important role on the international scene, regardless of how its internal situation develops. However, we should believe in the victory of the democratic reformist forces in Russia, which are now led by President Yeltsin.

[Unidentified journalist] The American secretary of state yesterday indicated the possibility of changing the territorial division of Bosnia-Herzegovina in the peace plan. [Serbian republic of Bosnia-Herzegovina president] Karadzic immediately reacted last night, saying that the possibility is now open for the Serbs to establish a corridor between their enclaves in Croatia and Bosnia, and unite them with Serbia. My question is: If Washington really accepts such a modification of the plan, what will Croatia's stand be, and can Croatia have any influence on such a possible concession to Karadzic and Belgrade?

[Tudjman] First of all, the first part of your question indicates that this corridor would also link the Serb enclaves in Croatia, the so-called Krajina, and Bosnia.

What is important for us is that the United States is—in word and in deed in its policy—on the side of the sovereignty and territorial integrity of the Republic of Croatia. This is important for us, and in this respect there cannot be any changes. U.S. representatives have said this in the Security Council, and also on several occasions in talks we have had with them.

The internal borders between provinces in Bosnia-Herzegovina are an issue which concerns the nations

there, and concerns everything that has happened so far in the framework of the Vance-Owen attempts to solve the Bosnia-Herzegovina crisis. In my opinion, certain changes can occur in the borders, but nothing major. It is difficult to say right now which proposals are being considered. It is obvious that Mr. Christopher wants—and has expressed hope—everything to be done to reach a political solution even as late as this. On the other hand, the Serbs—conducting their policy so as to realize their goals and gain time through negotiations, and thus achieve in any way as much as possible of what they have conquered so far—are faltering between rejection and acceptance of the talks. Perhaps, if I dare speculate, they are procrastinating in order to see what is going to happen at the referendum in Russia at the end of the month.

In any event, it is important that the international community has reached the point at which it cannot avoid taking more active and more resolute steps in order to end the war crisis in Bosnia-Herzegovina. It seems to me that not only the Security Council decisions on tightening the sanctions against Serbia and Yugoslavia which will be passed soon, maybe as early as today or tomorrow, and the steps taken by NATO and the Western European Union in order to implement the resolution banning flights over Bosnia-Herzegovina, but also the talks between Presidents Clinton and Yeltsin in Vancouver, will have a certain impact on finding a solution. The statement by Russian Foreign Minister Kozyrev, who said that the Serbs' rejection of the Vance-Owen plan is, if I am not mistaken, a tragic act, is also very interesting.

We have therefore reached the point at which the world would like to avoid the spreading of the conflict in the territory of Bosnia-Herzegovina, but at the same time it is investing more intensive and resolute efforts in finding a way to end the crisis.

[Juresko] Mr. President, Juresko, VJESNIK. Can you tell us why a coalition government was not formed? My second question is: After the realization of the famous goals—sovereign Croatia and uniting all Croats—is the Croatian Democratic Community [HDZ] pursuing some other path, and what will be the HDZ's distinctive qualities characterizing it in Croatia and Europe in the future?

[Tudjman] Why have we not formed a coalition government, or a government of democratic unity? Because we held elections—the fourth elections in three years under war conditions—and we have a majority party which has gained the confidence of the people, and which has won the majority in both chambers of the Croatian State Parliament, the Assembly.

Let us compare our elections and their results with the recent elections in democratic France. The majority party in Croatia, the HDZ, won 43 percent of the vote in the elections for the Chamber of Deputies and 45 percent for the Chamber of Counties. Consequently, according to our democratic law on elections, with the majority of 43 and 45 percent, the HDZ gained 62 percent, in the Chamber of Deputies, and 65 percent, in the Chamber of Counties, of the seats in the Assembly. The HDZ has therefore won the majority of the seats in the Assembly. On the basis of the program it presented to the nation, the program which won most votes, this enables the HDZ to form its own government and govern the state as long as its mandate lasts. [passage omitted]

A united government in any country makes it possible to implement a united policy. A coalition government always means haggling and making compromises over certain policies—in both internal and foreign policy—within the government itself. In the situation in which Croatia has found itself today, when we have obviously not left the war behind us completely because of our UN-protected zones and our links with Bosnia-Herzegovina, we need a united government. At the same time we have a more stable democratic system than—I dare repeat—any other post-communist country. Such a stable democratic system is the result of a democratic majority party. On the basis of our majority in the Croatian parliament, the Assembly, we were able to conduct internal and foreign policy without hesitations. This means that the internal democratic system and Croatia's international positions have been strengthened.

On the other hand, haggling over certain issues in a coalition government would weaken everyday policy in the implementation of decisions and conclusions, and in reaching decisions and conclusions. We could continue speculating even on Croatia's international policies. The government formed on the basis of the parliamentary majority of the majority party is not a weakness, but a strong point of the democratic system in Croatia, as well as in all other countries. [passage omitted]

It seems to me that I have already answered the second part of your question. The HDZ contested the elections with a program of reconciling Croats separated and antagonized in the past, reconciling Croatia at home and in the diaspora, Croats of all classes in order to create a sovereign and democratic Croatia. [passage omitted]

[Correspondent] Danish Broadcasting: I have heard here in Zagreb that there were some plans for a new military offensive by the Croatian side in the territory occupied by the Serb rebels in Banija and western Slavonia, near Okucani. Can we expect something similar to what happened at the Maslenica bridge?

[Tudjman] Croatian policy is decisively directed toward a peaceful, political resolution of the problem of the UN-protected zones. As you mentioned Okucani, I do not know whether you are aware that the Croatian

authorities have already reached an agreement with representatives of the Serb people from the Okucani area on normalizing relations and peacefully returning this area into the constitutional and legal system of Croatia, and that the implementation of the agreement has been prevented by extremists from Knin and Belgrade. [passage omitted]

We hope and are firmly convinced that we will succeed in performing this task without resuming war operations, with the help of the international community. However, this depends on and is directly connected with the resolution of the crisis in Bosnia-Herzegovina, and in this respect we are willing to cooperate with all world factors and with the United Nations, in order to find a solution to stop the war and create conditions for peace both in Bosnia-Herzegovina and on the territory of former Yugoslavia—and, within this framework, without resuming the war and without new casualties on the Croatian side, to establish Croatian authority in all zones.

It is clear to the international factors, who have confirmed this in resolution 815, that Croatia will never, under any conditions, give up returning these areas into its constitutional and legal system. If we had to, if we were forced to, then, of course, we would also take all other measures to regain these areas. But, I repeat, there are no plans at present for commencing combat operations either in Okucani or elsewhere, as Serb imperialist circles are trying to deceive both their own population and the world. On the contrary, we will continue with our efforts for a political solution and we hope that we will achieve a lasting solution without war and casualties in cooperation with the world factors and the United Nations.

Background on Downfall of VJESNIK Given

93BA0772C Zagreb DANAS in Serbo-Croatian 12 Mar 93 pp 16-17

[Article by Marko Barisic: "Downfall of VJESNIK House"]

[Text] *The VJESNIK house, that symbol of Yugoslavism on Croatian soil, collapsed under its own weight; it was destroyed by the same people who founded it.*

The golden age of the VJESNIK house was the mid-1980's. The planned annual press run of what was then an SOUR [composite organization of associated labor], with 32 publications, was more than 261 million printed copies with an average circulation of 13 percent. The house employed more than 5,000 people, the workers councils in conjunction with the labor unions fulfilled the Social Agreement on Income, the number of foreign correspondents multiplied, and numerous offices were opened in the then-unified country and abroad. Thus, on 23 December 1986, SOUR VJESNIK opened in Belgrade "a modernly furnished information-business center of 330 square meters," while it was reported in MALI VJESNIK (the in-house publication) that the chairman of the Management Committee of SOUR VJESNIK, Vjekoslav Koprivnjak, acquainted the guests at the opening, including Josip Vrhovac, Ivan Stambolic, and Slobodan Milosevic—then the chairman of the City Committee of the League of Communists of Belgrade—with "the significance of reporting from Belgrade in the formulation of the house's editorial policy, which is based on cooperation in Yugoslavia...." A month later the chief editor of NEDJELJNI VJESNIK, Uros Soskic, writing in the same publication, explained the circulation at that time of 260,000 by saying that "the main value of that weekly lies in its Yugoslav orientation." VJESNIK gave that year's "Dr. Vladimir Bakaric" Award for Journalism to Stipe Suvar, and after "delegates were elected to the self-management organs of SOUR VJESNIK," the top man at the house, Vjekoslav Koprivnjak, wrote in the same publication on 2 March 1986 that "a self-management reorganization is necessary, as established three years ago by the working group of the Opstina Committee of the League of Communists of Trnje...."

Almost at the same time, two headlines appeared: "SOUR Did Not Pass the Test," and the second, on SOUR VJESNIK business over six months in 1986: "Plan Targets Achieved and Exceeded." And in the same issue, after a report on a visit to VJESNIK by officers from the Army Club in Dugo Selo, there was a somewhat longish article, from which we quote: "At the session of the Executive Council of the Assembly of the SRH [Socialist Republic of Croatia], presided over by Eng. Ante Markovic..., it was emphasized that because of the exceptionally difficult socio-economic position of daily information-political publications, it is necessary to secure additional funding by rebalancing the republican budget for 1986...." Thus, despite the "excellent" business, the republican government at the time was injecting fresh quantities of money into the VJESNIK house. According to the figures available today, the republican government invested 55 million marks into "the biggest newspaper publishing house in the Balkans" from 1980 to 1990 (documentation exists for 51 million).

Government Subsidies

In order for us to gain insight into the situation at the time, let us present an overview of the circulation figures for individual newspaper publishing houses in the territory of what was then Yugoslavia (BORBA, POLITIKA, OSLOBODJENJE, DELO, VJESNIK), whereby we will give all the publications of VJESNIK and only some of them from the other houses. Figures are given in thousands: BORBA (47), OSLOBODJENJE (77), DELO (109), POLITIKA (254), VJESNIK (77), VECERNJI LIST (391), SPORTSKE NOVOSTI (164), SPRINT (78), DANAS (49), ARENA (245), STUDIO (166), VIKEND (124), SVIJET (207), START (166), KVIZ (91 SFINGA (55), IZBOR (41), SAM (119), TREND (21), LASO (64), TOM I JERRY (51), SUPER STRIP (64),

TRAG (23), SIRIUS (20), EROTSKI ROMAN (55), EROTIKA (149), EVA (40). The average circulation was around 20 percent.

Thus, even then, despite the unified Yugoslav market and the Yugoslav orientation of all the publications from the VJESNIK house, and regardless of the rather large circulation, the house was not doing lucrative business, based on profit. The government always had to pass along money in order for it to survive. But at the house itself, which at the time was an SOUR, there was one management and one budget. The money flowed over, was taken away from those doing good business and used to cover the losses of those doing poor business. That was normal at the time. Another feature of that era was the concept of plan losses (for example, the plan loss of DANAS for 1989 came to 10 billion dinars).

In 1989, a major struggle was waged in the VJESNIK house over its organization. Vjekoslav Koprivnjak announced that he was leaving to become a diplomat, and two people with completely different plans competed for the post of chairman of the Management Committee: Vladimir Slijepcevic, with the idea of a unified enterprise, and Stjepan Andrasic, who was in favor of every publication of the VJESNIK house bearing business responsibility, and thus having its own bank account. At the workers council meeting of 12 October 1989, Slijepcevic won with the help of the then-omnipotent Rikard Pompe (director of printing) and Ivan Hadina (director of sales). However, VECERNJI LIST, which was headed by Andrasic and was the most profitable newspaper in the house, did not allow revenues to flow over, instead retaining its business independence and setting itself up as a social enterprise. When the printing and sales departments exerted pressure on it by raising prices, VECERNJI LIST decided to set up its own printing press. And today in Zitnjak (a Zagreb suburb), there are is an empty hall into which printing equipment will never arrive from abroad.

Thus, at the end of 1989 the former OUR [organization of associated labor] VJESNIK became independent enterprises and working collectives, whose services were in fact needed by everyone in order for the house to be able to survive. That same year, the workers council of OUR IRI (Information-Review Publications) decided to set up a special group as an "Arena" Production Unit with the publications ARENA, STUDIO, MILA, and AUTO-KLUB. Still, despite this partial business autonomy, the VJESNIK house remained intact. This was simply a desire for "clean accounts," and at the Okrug Economic Court only NISPRO [Newspaper Printing Enterprise and Work Organization] VJESNIK was registered.

Fear of Democracy

From 1 January to 1 July 1990, the chairman of the Management Committee of the VJESNIK house was Vladimir Slijepcevic. We recall that in February elections were announced for Croatia that were to be held in April (first round). This was the time of Milosevic's rally visits to Zagreb and Ljubljana, but also the time of a major struggle between the Croatian communists Racan and Druzic. This struggle went on within the VJESNIK house as well, depending on the inclinations of individual leaders toward one faction or another. Some were convinced that Druzic would win, so that Mladen Plese already saw himself as head of VJESNIK. Efforts were made to hush up the anarchy of that time through radical moves and statements. Thus, the board of chief editors of VJESNIK unanimously concluded that "there can be no compromise with Croatian or any other kind of nationalism." In March, START was banned because of an article on Solevic. Chief editor Zoran Bosnjak resigned, and Bozidar Radman became acting editor, while his Deputy Marijan Jurleka and then-acting deputy Denis Kuljis were fired. On Women's Day, the guests of the VJESNIK house were women from POLITIKA. Instead of the idea of a unified Yugoslavia, the idea that was promoted then was that of Yugoslav synthesis. During the first three months of 1990, the circulation figures for VJESNIK publications were as follows (in thousands): VJESNIK (79), SPORTSKE NOVOSTI (66), ARENA (185), STUDIO (99), VIKEND (45), DANAS (109). At that time, VECERNJAK was already independent and had around 350,000.

Between the two rounds of the 1990 elections, when the final results could already be predicted, Vladimir Slijepcevic and his colleagues on the Management Committee quickly abandoned their concept of a unified enterprise. On 25 May, the Proposed Self-Management Agreement on Changes in the Organization of NISPRO VJESNIK went into effect, whereby "every basic organization of associated labor organizes itself as a social enterprise." In this way, the following were founded: VJESNIK, SPORTSKE NOVOSTI, NIP-REVIJE, the Agency for Marketing, Graphic Production, Veletrgovina, Zagreb Sales, Wholesale and Retail Trade, and Services d.o.o. Others in VJESNIK waited, but not for long. Thus, 12 enterprises and two joint-stock companies (services) were founded. Insiders contend that the reason for this "fragmentation" of VJESNIK was the fear that if it remained a unified enterprise, the new HDZ [Croatian Democratic Community] government would simply take it over by declaring it a public enterprise. Since at the time Federal Prime Minister Ante Markovic was an advocate of privatization by issuing internal stock shares, the Croatian government too decided to let newspaper activities go into private hands. This was explained to the management of VJESNIK, then headed by Milovan Baletic, by Minister of Development Zvonimir Medvedovic and Minister of Information Milovan Sibl. The government went so far as to order that all social enterprises (which is what VJESNIK was) complete the process of transformation by 30 June 1992.

Beginning of the End

Thus, the 12 enterprises in VJESNIK had to conduct a division of assets and liabilities, while the authorized bodies appraised their value. That same year, newspaper

magnate Robert Maxwell came to Zagreb with the intention of buying 40 percent of the VJESNIK house. However, Maxwell left and died soon thereafter. Since no one aside from ARENA had done anything in terms of appraising value and transformation, the state in mid-1991 appointed an Administrative Board with explicit authorities regarding the division of assets and appraisal. The Administrative Board was in fact appointed by the Agency for Restructuring and Development (headed at the time by Mrsic). The members were Jurisic, Deanovic, Gledec, and Sibl. The Administrative Board did not interfere with the enterprise's editorial or business policy; it played the role of workers council, meaning that it was more concerned with resolving employees' social and legal questions. Nevertheless, the Administrative Board pressured the VJESNIK enterprises to physically split themselves up and carry out appraisals. Their value (premises, real estate, trade) had to be divided into stock shares, which would then be offered for sale. In this way, the VJESNIK enterprises would be privatized.

That year, the war broke out, the unified Yugoslav market disappeared, and the VJESNIK house began to crumple. It turned out that the division into 12 enterprises due to fear of the HDZ government contributed to the decline of some of those enterprises. The first to begin the decline was DANAS, which under editor Drazen Vukov Colic fell from 135,000 to 30,000 copies, and the new editor, Mladen Maloca, shut down the publication at 20,000 sold copies. The REVIJE enterprise also failed, because Soskic took the most profitable publications and best people with him, while the REVIJE publication GLOBUS, seemingly in a private agreement, simply abandoned the sinking ship.

Editors from the house (Stipetic, Maloca...) continually called then-Minister of Information Salaj asking for government money. Salaj went begging to the prime minister in vain: Greguric did not provide a single dinar from the budget. They went to several banks asking for loans, but when the banks saw that this was a bottomless pit, they too refused. VJESNIK printers stopped printing publications that did not meet their obligations. Although some enterprises amassed debts, especially with foreign creditors, the Administrative Board (especially its new member, Ivica Gazi) did not want to declare these enterprises bankrupt, but rather offered them for sale so that foreigners (as creditors) would not become the owners of Croatian newspapers.

Seen from today's perspective, however, it is quite fortunate that the VJESNIK house divided itself into 12 enterprises, because that made it easier to privatize them. Today, all publications of the VJESNIK house are in private hands (private persons or chief editors together with employees), aside from VECERNJI LIST and VJESNIK, which are still in the process. If VJESNIK had remained a unified enterprise, this would not have been possible, and it would have been dangerous for one person, as owner, to control the Croatian media.

The VJESNIK house, that symbol of Yugoslavism on Croatian soil, collapsed under its own weight. Developed from the beginning as a socialist mastodon—intended to convince the citizens of Croatia of the necessity of the Yugoslav idea and later of Yugoslav synthesis, with journalists recruited by party commissions (CINK [expansion unknown]), with editors directly from the League of Communists, with party commissars who ideologically purged the editorial staffs (and thus ended up on the personnel managers' list or became foreign correspondents), with a business policy that was always unprofitable—the VJESNIK house served no other purpose. It was destroyed by the very people who made it. Because of the convergence of circumstances, the new Croatian government was simply a silent observer of the agony of an ideology, in which toadyism and theft prevailed, and the short period of free and profitable journalism ended with dismissals and firings.

Finally, it must be said that the VJESNIK house skyscraper and the adjacent land are still not entered in land-registry books.

Drnovsek, Peterle Sign EC Cooperation Agreement

AU0504190193 Ljubljana Radio Slovenia Network in Slovene 1330 GMT 5 Apr 93

[Text] As we have reported, Prime Minister Janez Drnovsek and Foreign Minister Lojze Peterle have signed a package of agreements with the EC in Luxembourg. Mirjan Acimov Oblak reports:

[Begin recording] The main significance of the economic cooperation and trade agreement is that it is our first agreement signed with the EC. Through this we have gained an independent image, devoid of references to the former Yugoslavia, in contacts with the Twelve. True enough, the agreement is based on the main provisions of the former Yugoslav institutional framework, but it also contains some novelties designed exclusively for Slovenia. The trade agreement based on preferential, non-reciprocal treatment for the majority of our industrial products, with the exception of 39 sensitive items, is the same as before. We have been trading with the EC in full accordance with it.

The agreement signed today also grants us certain concessions in what is for Brussels always a sensitive issue, namely, the import of agricultural produce from nonmember countries. The matter is of utmost importance for Slovenia, to whose economic development the EC intends to give maximum assistance, EC Chairman Dane Petersen said today. This is particularly so because, as Drnovsek stressed, approximately 60 percent of our total exports go to the EC. What Petersen's statement about maximum EC support for our economic development and drive toward a market economy actually means should be interpreted in view of the fact that the financial protocol signed today allocates 150 million European Currency Units [ECUs], or approximately $185 million, to Slovenia over the next five years. If we propose suitable projects to the European Investment Bank, we can use the funds sooner.

We will receive the majority of the sum allocated, some 130 million ECUs, in the form of relatively favorable loans from the European Investment Bank, while 20 million ECUs will be in the form of premium bonuses, that is, unreturnable gifts for the interest on these loans. All of this money is intended for modernization of the transportation infrastructure—roads and railroads, to be precise.

The uniqueness of the agreement rests in a clause referring to transition to a higher level of integration with the EC—associate membership status. Negotiations on this should commence shortly, but Slovenia currently does not want to rush into associate membership, which envisions reciprocal liberalization of trade.

The other unique feature of the agreement is a clause referring to the encouragement of economic cooperation envisioned by the Osimo Agreements signed between the Former Yugoslavia and Italy in 1975, which, until five days ago, the Italians in Brussels tried to use in pressuring the EC not to sign today's agreement. Today's agreement ascribes the Osimo Agreements to the regional cooperation in the EC. It seems, however, that the way in which the matter has been outlined in the institutional framework considerably limits the opportunities for Italy to create subsequent problems for Slovenia.

We must, of course, also mention the obligation that the agreement poses to Slovenia regarding the explicit observation of human rights and principles of political and economic democratization. Finally, something else which was important today was that we signed a joint declaration on establishing regular political dialogue with the EC. [end recording]

Federal

Panic Visits Iraq To Discuss Possible Arms Deal

AU0504123593 Belgrade NIN in Serbo-Croatian 26 Mar 93 p 21

[Article by Aleksandar Kadric: "Brothers From the 'Third World'"]

[Text] Are Iraq's liabilities for weapons and military equipment to Yugoslavia so large as to persuade the chief of General Staff of the Yugoslav Army to pay a visit to Baghdad (as can be concluded from official explanations), or does this mean closer cooperation between two allegedly similar regimes, which is how General Panic's gesture is interpreted by part of the public here?

The export of products of the Yugoslav arms industry, as well as all the other business associated with this activity, has been shrouded in a thick veil of mystery (sometimes unnecessary) for very many years. The clients themselves are partly to blame for this, because they very often insist on maintaining a level of secrecy and they do not want information about what they would like to have in their arsenal made public. For a very long time our public has had information of the type that said how "Yugoslavia maintains successful military-economic cooperation with certain friendly and nonaligned countries", and that this cooperation takes place without any political conditions on our side. Concrete funds that had to do with the transfer of weapons remained undisclosed.

Except for the top Yugoslav military, other partners involved in weapons' export were the ZINVOJ [the Special-Interest Community of Yugoslav Armament and Military Equipment Manufacturers] as the manufacturer, and the SDPR [the Federal Directorate for Transport of Special Purpose Products] most often as the intermediary in business arrangements. Not one of these players could act on their own, since every deal had to have the blessing of the country's state leadership before a contract was signed and implemented.

Although individuals from the Army and the Yugoslav Defense Ministry today frown at the very mention of Iraq, which seems to be our biggest debtor, at one time this Arab country seems to have been an almost ideal business partner: friendly, nonaligned (and rich with oil), and eager to obtain all kinds of weapons.

Owing to the lack of completely reliable information, it is hard to piece together the jigsaw of the thriving military-economic trade between former Yugoslavia and Iraq. We know, for example, that Iraq bought from our country a license to manufacture very sophisticated howitzers of 122-mm caliber, of the D-30 J type (in Iraq they call them Saddams). Our experts overhauled a lot of Iraqi military equipment, including aircraft. However, everything indicates that most of the Iraqi liabilities are for significant military equipment that the Yugoslavs designed and built for the needs of the Iraqi Armed Forces.

The Iraqi Army fulfilled its desire to have exceptionally organized territory by building a series of underground shelters for aircraft, warehouses for fuel and lethal weapons, command and control centers.... These small-scale underground cities have been constructed with special materials, and according to exceptionally strict criteria. The prices literally make one's head spin. The fact that some of these complexes withstood attacks during Desert Storm is the best witness to their quality.

As for the sums which Iraq owes our country, several amounts are in circulation, depending on what they encompass. They range from around $700 million to fantastic sums of nearly $2 billion. One must admit that these sums are not trifling even for countries far richer than Yugoslavia.

In light of these debts, General Panic's visit to Iraq seems warranted and necessary, but at the same time it raises a question: why is a soldier engaged in regulating property relations and financial liabilities (even if they have to do with weapons), when it is a well-known fact that everything was done according to decisions made by the state leadership of the former Socialist Federative Republic of Yugoslavia, and not by the general? If this is so, it would be more logical if these issues were dealt with by politicians.

It might be worth mentioning that Iraq has managed to achieve significant projects in the field of missiles with the help of foreign experts. Some people claim that these experts are from North Korea, some that they are Brazilians (who have a solid arms industry, although it is less publicized by the media), but one should not forget the at one time uncontrolled shipments of essential technology from certain western countries. Somehow or other, the Iraqis have manufactured and used medium-range ballistic missiles.

General Panic's visit to Baghdad coincides with his frequent announcements that we are preparing to manufacture projectiles with a longer range (up to 1,000 kilometers). Iraq, which has already been through this phase, (and is a step ahead of us in this), could shorten and ease the way to the manufacture of Yugoslav projectiles if it were to share its scientific achievements and technical documentation. We would not have to pay for the license, because a part of the work could be "covered" by some of the debts that the Baghdad government owes us. Although this is only speculation, it still seems a lot more realistic than endlessly waiting for the day when Iraq will be able to pay back its numerous creditors.

We should not discard the possibility that during the visit, the military leaders of Yugoslavia and Iraq exchanged expert experience. Iraq has some of the Soviet radar and missiles systems that we also use, and that were tested during the attacks by Western air forces (something that could happen to us, too). Although much has been said and written about Desert Storm, "first hand" testimonies are more than valuable.

In view of all this, it is possible to conclude that the explanations at the beginning of this article, to do with General Panic's visit to Iraq, can stand. Especially if the repaying of debts is viewed in various ways, which is possible between two countries in a similar position.

Cosic, Mitsotakis Discuss Bosnian Conflict

LD0604093593 Belgrade TANJUG Domestic Service in Serbo-Croatian 0834 GMT 6 Apr 93

[Text] Belgrade, 6 Apr (TANJUG)—Greek Prime Minister Konstandinos Mitsotakis arrived in Belgrade this morning on a one-day working visit to Yugoslavia. Immediately upon his arrival the distinguished guest from Athens was received by Yugoslav President Dobrica Cosic. Currently, in the Palace of the Federation, Cosic and Mitsotakis are discussing the vital issues of the Yugoslav crisis with emphasis on the conflict in Bosnia-Herzegovina. It has been learned that they will consider the possibilities for a peaceful and just solution to the Bosnian conflict. After this meeting in the Palace of the Federation the Greek prime minister is expected to be received by Pavle, the patriarch of the Serb Orthodox Church.

Serbian President Milosevic will receive Konstandinos Mitsotakis in the early afternoon. It is expected that the conflict in Bosnia-Herzegovina, sanctions, and chances for the implementation of the Vance-Owen plan, in particular the part concerning the territorial and administrative division of that former Yugoslav republic, will be the dominant topics at the talks between Milosevic and Mitsotakis.

Jugoskandik Not Legally Operating Bank

93BA0789A Podgorica POBJEDA in Serbo-Croatian 10 Mar 93 p 2

[TANJUG report: "National Bank of Yugoslavia: 'Jugoskandik' Is Not a Bank"]

[Text] Belgrade, 9 Mar—"Jugoskandik" never got a permit to operate as a bank from the Board of Governors of the Federal Bank of Yugoslavia [NBJ], which according to the law on that central banking institution issues such permits, the NBJ notes.

According to that legal provision, banks must fill out certain forms, submit special documentation, and meet various technical conditions in order to operate.

Having received a permit, such banks join the system of banks over which the NBJ can exercise control, which is not the case with "Jugoskandik."

"Jugoskandik" is not a bank, but in Montenegro that company registered the "Private Economy Bank" in Podgorica and some 15 branches in Belgrade, Novi Sad, Nis, and other places.

However, there is also a Law on Savings and Loan Associations and Other Financial Organizations, under to which several hundred such associations have been founded which are only registered with the economic courts where they are headquartered.

Still, according to the letter of that law such financial organizations cannot deal in foreign-exchange savings.

Jugopetrol Involvement in Jugoskandik Scandal

93BA0789B Podgorica POBJEDA in Serbo-Croatian 10 Mar 93 p 5

[Article by L. Djurovic: "'Jugopetrol' Not Harmed: Bluffing"]

[Text] Kotor, 9 Mar—We have received a statement from the director of joint affairs of "Jugopetrol," Branko Kascelan, concerning the departure of Jezdimir Vasiljevic. "Last November, guided exclusively by business interests, we concluded an agreement with 'Jugoskandik' on the storage and handling of petroleum derivatives. The essence of the agreement is that only the free part of the storage facility be made available and that regular handling be ensured in accordance with the owner's orders. Within the framework of this transaction, we also performed transport services, so that the business impact was mutually beneficial. The transaction proceeded properly and, it is my conviction, to our mutual satisfaction until the first half of January of this year. Then, the Economic Court in Podgorica enacted a temporary measure whereby 'Jugoskandik' was enjoined from having access to the entire quantity of derivative in storage at Bar and Lipci," Kascelan emphasized. He explained that "Jugopetrol" fully applied the court's injunction, prohibiting the release of derivatives after the ruling was handed down.

"It is a fact that 'Jugopetrol,' through no fault of its own, has been drawn into a dispute between the Private Economy Bank and 'Jugoskandik,' and that the temporary measure does not prejudice the court ruling. The court's decision will only be known after the dispute that is in progress has been settled. As a reputable company, we respect the court's measure, which means that we have not used any of the 'Jugoskandik' gasoline, or other derivatives, as some of the media are alleging," Kascelan added.

As far as the quantity is concerned, Vasiljevic specified that it was 62 million liters, with a value of $50 million. Kascelan deemed these figures "crazy," because there is a much smaller quantity of derivatives. However, he was unwilling to reveal how much there is, since that is a business secret that must be respected regardless of the circumstances. Kascelan said that Jezdimir Vasiljevic knows quite well how much gasoline there is at the installations on the Montenegrin coast, and he also knows why he is exaggerating it.

Has the "Jugopetrol" public enterprise, which has been drawn into the dispute between the Private Economy Bank and "Jugoskandik," suffered any harm from all the maneuvering surrounding the impounded petroleum

derivatives? At "Jugopetrol" they say that the cost of storage is rather high, and according to the provisions of the agreement with "Jugoskandik," those costs are still being charged. Whoever loses in the legal dispute will pay for storage during the "deadlock." It is significant to note here that the creditor of the Private Economy Bank has not acquired a pledge right over the derivatives and that no one can have access to them until the legal dispute is settled.

Jezdimir Vasiljevic has also threatened to sell ships from the Montenegrin fleet in order to settle his outstanding debts. As is known, the management of "Jugooceanija" is headquartered on Malta and the ships sail under the Maltese flag. It follows from this that Boss Jezda is "bluffing," but people on the board of "Jugooceanija" were very ungracious in refusing to comment on Vasiljevic's statement.

Activities Leading to Vasiljevic Flight

93BA0789C Podgorica POBJEDA in Serbo-Croatian 10 Mar 93 p 5

[Article by Jk. Bojicic: "From Glitter to Scandal"]

[Text] *Sveti Stefan was leased out to "Jugoskandik" to the satisfaction of both parties. A deal with the Private Economy Bank [BPP] was also launched with similar success. The epilogue is still unknown, but for now Vasiljevic is only bringing charges.*

Podgorica, 9 Mar—As pompously as he came to Montenegro with the "deal of the century," Mr. Jezdimir Vasiljevic, the owner of "Jugoskandik," has now left Yugoslavia. He has promised that he is ready to finance the physical liquidation of those who have taken offense at him. He says that he is especially mad at Montenegrin Prime Minister Milo Djukanovic.

The road from great affection and the glamorous handing over of the keys to Sveti Stefan to murder threats was crossed in less than a year. In late March of last year, the newspapers were full of reports that Vasiljevic's "Jugoskandik" was going to lease the celebrated Montenegrin saint [Sveti Stefan]. The director of the "Budva Riviera" HTP [expansion unknown], Zarko Mirkovic, and the director of the "Sveti Stefan" production unit knew almost nothing about this at the time. However, the secretary for information in the Montenegrin government, Bozidar Jaredic, explained that the information was not completely accurate, that talks were under way with Jugoskandik, but also with other interested parties! He said that the best solution was being sought in order to better valorize this natural and tourist resource than has been done in the past. That was when stories began to circulate about how Vasiljevic had bought up Montenegro's foreign debts, so that in return he received the right to manage the city hotel. The speculation did not last for long. In early April, the public learned that on the 9th of that month, a contract had been signed between the "Budva Riviera" HTP, the Montenegrin government, and "Jugoskandik" on leasing the "Sveti Stefan" Hotel, the "Milocer" Villa, the "Milocer" Hotel, and the "Maestral" Hotel, with all their furnishings and inventory, for five years. The lease was worth $570 million, which according to media reports was to be paid in installments of $30 million the first year, $60 million the second, $120 million the third, $160 million the fourth, and $200 million the fifth. "Jugoskandik's" obligation was to pay $2.5 million each month.

Successful Business Move

Satisfaction with this deal on the Montenegrin side was no secret. The chairman of the Administrative Board of the "Budva Riviera" HTP, Veselin Babic, said that this was one of the biggest deals and development moves, that we had enriched the tourism offerings because the hotel would operate all 12 months, that there would also be benefits from noncommodity and banking business, that it would make it possible for Budva and the Montenegrin coast to get water and complete their infrastructure, that a sports center would be built in Budva....

"This is a purely promissory transaction, a very successful business move," said Dragan Milic, the Montenegrin minister of trade and tourism, noting that "in the contract we have included detailed safeguards against any surprises, and we also have the right to terminate it if the tiniest part of it is not honored." In the meantime, Mr. Vasiljevic promised that he would bring Dr. Rajko Medenica to treat cancer patients in Igalo and that he would invest $800 million in the lease on Bar Harbor and make it into the biggest and most modern harbor on the Mediterranean. He announced deals with "Radoje Dakic" and other companies, and said that negotiations on combining "Jugoskandik" and Montenegrin Television had already been completed.... He told hotel employees not to worry: At least for the next five years, he promised, there would be no problems. Jezdimir Vasiljevic quickly became a media star and gained the nickname "Boss Jezda." Newspapers were full of stories about him: who he was, what he liked to do, how he acquired his great wealth. Dobrila Gajic-Glisic, a former advisor to the former minister of defense of the Republic of Serbia, published in NIN parts of his "unpublished manuscripts." It was said of him that he was up to his neck in deals involving the procurement of military equipment. At the time we could also read that he was importing oil, and in return asking that he be allowed to buy foreign exchange from the population. However, he was not allowed to do this in Serbia. But he still managed to enter into that business as well.

The National Bank of Montenegro gave permission to the Private Economy Bank to engage in foreign-exchange transactions, after which that bank began cooperating with "Jugoskandik" and buying foreign exchange for it from citizens in both Serbia and Montenegro. Major earnings were expected, because Sveti Stefan was supposed to become extremely competitive for international

financiers. Specifically, Vasiljevic announced that he would attract the world's money with an extremely low tax on profits.

The cooperation between "Jugoskandik" and BPP did not last long. The director of the Podgorica bank, Milorad Micko Vukotic, feeling that his Belgrade partner was not doing that well, stopped accepting foreign-exchange payments in October of last year and demanded that savings depositors be compensated. That was when the public skirmishes began about who was to blame, or rather who had to return the money. Despite his promise to pay the foreign exchange, Vasiljevic accused Vukotic of having spent the money on luxury items and on financing the election campaign of the Liberal Alliance, of which is a member and deputy in the Montenegrin parliament. At the beginning of this year, the Private Economy Bank obtained a temporary measure from the Economic Court in Podgorica prohibiting the disposal of around 9,000 metric tons of "Jugoskandik's" gasoline stored in Bar and Lipci on the Gulf of Kotor. The bank intended to pay off citizens with that gasoline, worth twice as much as the approximately three and a half million marks owed to Montenegrin savings depositors. However, dealings with "Jugoskandik" were somewhat more extensive, so that BPP is charging its partner a total of approximately 30 million marks. The appearance before the court in Podgorica is scheduled for 12 March.

Waiting for the Truth

There were earlier surprises with Vasiljevic as well. According to unofficial information, back in June of last year, immediately after the sanctions were imposed by the UN Security Council, it was agreed that "Jugoskandik" would discontinue payment of the lease installments for Sveti Stefan, and much later, in August, it was revealed that the contract between Boss Jezda and Montenegro was "cracking." In a broadcast on Montenegrin Television devoted to tourism, it was learned, rather incidentally, from the director of "Budva Riviera" HTP, Miodrag Mirovic, that the contract was frozen until the blockade by the international community was lifted. Cooperation continued, however, to their mutual satisfaction, as Milo Djukanovic put it. Vasiljevic told our journalists that he was in the running as the Montenegrin candidate for the post of federal prime minister. It is not clear how much truth there was to that story, but Boss Jezda confirmed his desire to hold government office through his candidacy for the post of Serbian president in the last elections.

Jezdimir Vasiljevic and his "Jugoskandik" also upset people in Montenegro after the dismissal of the director of Kotor's "Jugopetrol." Insiders said that the departure came as a result of the "refusal" to give Vasiljevic permission to lease gasoline pumps all over Montenegro.

This year too he became the focus of public attention when workers at "Budva Riviera" protested that he was not satisfying his contractual obligations and paying the promised wages. They called for termination of the contract, but the Montenegrin government sent them to the labor union to discuss their disagreements there. Even during this quarrel, Vasiljevic argued that the conflict was contrived and that they actually wanted to force him out of Montenegro. Jezdimir Vasiljevic went, this time leaving Yugoslavia. He left behind numerous unanswered questions. He promised that he would return, but also that he is ready to pay for murder. How long will we wait for the truth this time?!

[Box, p 5]

Who Is Jezdimir Vasiljevic?

Born in 1948 in the town of Topolovnik, near Veliko Gradiste. He completed primary school. He went abroad at age 21. He lived in several countries, working as a rubber-industry worker, movie projectionist, stock broker, Interpol investigator, and pilot. He began a private business in Yugoslavia two and half years ago, selling video cassettes, VCR's, and television sets. He then began dealing in Japanese cars. He founded the "Jugoskandik" private bank in January 1991.

He is a Serb, Orthodox, married twice, with two sons and a daughter from the first marriage. He is currently married to Carmela Niuccia, originally from Italy. They have a son Stefan.

He owns a Belgrade racetrack, the "BIG" Store, the "MB Channel Real Times" television station, and several dozen shops, and is also the leaseholder of Sveti Stefan. He owns several houses: in the Banjica section of Belgrade, on the Montenegrin coast, and in Belgium.

He is known to friends and clients as Boss Jezda. He collects ivory smoking pipes as a hobby. He loves chess. He has no political experience. In the last elections in Serbia, he was one of the candidates for president.

Dafiment Bank Problems To Lead To Collapse

93BA0822C Belgrade NIN in Serbo-Croatian 19 Mar 93 pp 14-15

[Article by Dragan Cicic: "Dafinition of the Problem: Movable Holiday"]

[Text] *Why Ms. Milanovic must follow in Jezda's footsteps.*

"I believe because it is absurd," wrote theologian Tertullian. The ancient Christian thinker, who is not included among the fathers of the church because of his extreme puritanism, was clearly not thinking of enormous interest on foreign exchange, but today the force of his convictions probably has a parallel only among savings depositors in this country.

How else are we to explain the fact that in a NIN survey as many as 37.5 percent of our respondents still believe that Boss Jezda will compensate his clients? In Novi Sad, depositors have even organized and held protests,

demanding that the opening of branches in this country be allowed, since they do not want to go all the way to Szeged! (In one of his numerous appeals to the local public, he promised to open mobile teller windows in that border city.)

But since nothing is exactly as it seems, a little more careful analysis shows that the domestic believers in the god Mammon are better compared to the Pharisees whom Jesus accused of insincerity of faith than to early Christians like Tertullian. It appears that the endless confidence in "Aunt Dafina" has faded away over night. For example, in the NIN survey, only 34.5 percent of those questioned (fewer than in the case of "Jugoskandik"!?) believe that "Dafiment" will live up to its contractual obligations. At the same time, Minimaks, the vox populi incarnate, asks from the television screen, "Will Dafina follow in Jezda's footsteps?"

Breakthrough of Logic

It appears that if not a majority, then a good share of the people in line in front of the offices think that the answer is that she will, and soon. And if there are some who are renewing their contracts, it is hard to find anyone who has actually brought money to deposit. It is unnecessary to explain what a halt in deposits combined with a rise in withdrawals means for any bank. However, the owner of Dafiment insists that even if all her depositors withdrew their money she would still have reserves of around 600 million marks!?

Statements like this are hard to take seriously, especially if one knows that even stranger things have come from Ms. Milanovic's mouth: She told THE INDEPENDENT that 14 million accounts had been opened at her bank. A total of approximately 1,160,000 man-hours would be necessary to process 14 million deposits, if only five minutes are devoted to each contract. The bank has 37 branches in all, and if we assume that the 10 tellers at each of them work 24 hours a day (without breaks), 30 days a month (without weekends and holidays off), then that comes to only 266,400 hours. Even if we assume that all depositors withdraw interest only once every three months, then the bank would in turn have a theoretical maximum of some 800,000 man-hours at its disposal, compared to the 1,160,000 that it would need. Perhaps it seems to the observer of the incredible lines that maybe, somehow, physical and mathematical barriers have been broken through, but elementary logic inevitably leads one to conclude that the assertion about 14 million deposits is nonsense.

So what is the real number of deposits? It is unknown. How much money does the bank have at its disposal? Also unknown. What kind of business does it do?! No one knows, aside from the fact that it has invested in the pension fund (profitability is not hard to suppose), the mimosa holiday in Herceg-Novi (at a time when tourism has been decimated), and express railroad. Any dealings with petroleum, no matter how successful, could scarcely have covered the cited ventures that can only be described as business failures (for example, to cover the 50 million marks invested in express railroad, it is necessary to sell 100,000 metric tons of fuel, assuming a clear profit of half a mark per liter of gasoline). Where did the money needed to set up the bank even come from? In its advertising brochure, "Dafiment" writes that Ms. Milanovic invested 75 percent of the capital, while 25 percent came from Izrael Kelman, a Jewish businessman.

Where did their investments come from? According to the available information, Ms. Milanovic's only financial activity before setting up a company for finance and accounting services, and immediately thereafter the bank, was to redirect into her own account money for paying off loans to workers at the "Slavija" construction company, where she was the head of accounting.

As far as Mr. Kelman is concerned, the only thing known about his business past is that he was the owner of an economic journal that went bankrupt.

Similarly, every "fact" relating to this bank that you try to dig up turns to dust. The information offered is (probably) intentionally strange, contradictory, or simply absurd. This makes it impossible to provide any assessment of the bank's profitability and potential duration based on figures. For such an estimate, one needs to know most of all how much capital the bank has and what its monthly inflow and outflow are. We have seen that such information is unavailable, or that it leads down the wrong path.

The only thing that is accessible is the various models by economic experts that more or less come down to a "chain of luck" where interest is paid to the first depositor from the deposit of the next one, and so on. In principle, these systems do not last long, but it is believed that this one is assured a relatively long life due to a series of circumstances that could be ensured only through an active role by the state.

Most of all, it is essential that the inflow of money, in the form of new deposits and foreign exchange sold to dealers, which is assumed to end up in the bank, be greater than the outflow through interest, so that the difference can be used to finance at least the bank's operations and certain state needs. One of the biggest driving forces behind deposits is inflation, i.e., the rise in prices and in the black-market exchange rate. Inflation results in a decrease in real income, so that citizens, whose wages can no longer keep up with prices, are forced to put their money in the bank in order to earn additional income through interest.

Bojan Dimitrijevic, an assistant at the School of Economics, has estimated that a monthly rise in the exchange rate of 10 percent brings a rise in inflow of approximately 9 percent and a drop in outflow of also 9 percent. It is important, however, that this system is not closed—hard currency flows out of it continuously, at the very least for petroleum, while the foreign-exchange inflow from abroad is small (money sent by guest

workers, some illegal exports). It follows from this that the limit for survival of the "Dafiment" system is the quantity of foreign exchange that is deposited—when that quantity becomes negligible as a result of exhausted reserves or a rise in mistrust, the outflow and inflow will first balance out and then the outflow will become greater, which is quickly followed by collapse.

Last Train

Bojan Dimitrijevic believes that the first such critical moment occurred in November 1992, but at the time an increase in inflow and decrease in outflow was influenced by drastic changes in the exchange rate and prices, as well as an increase in interest rates.

It appears that the system is currently experiencing a much more serious crisis. The spectacular departure of the head of "Jugoskandik," who had to do business according to essentially the same principles, obviously undermined confidence among Dafiment depositors. Like several times before, Dafina tried, by first raising and then immediately thereafter announcing a drop in interest rates, to persuade people to rush to the bank windows—the psychological trick of "catching the last train." An indication of the seriousness of the current situation, however, is the announcement of a lowering that would reduce the current monthly interest rate to the annual rate. Naturally, it is hard to believe that something like this is even intended seriously, because the result would be a sudden decrease in inflow combined, for some time, with a major outflow resulting from the payment of interest at the old rate to those who had previously deposited money.

It is likely that by the time this article is printed we will know whether the provision on new interest rates has even gone into effect, and if it has (which seems hardly probable), it will be hard for the new conditions to last for longer than a month. Moreover, the statement issued at the same time, that Dafiment will now switch over to investing in agriculture, seems almost comical when one considers that businessmen and bankers all over the world avoid investing in that sector precisely because of its low rate of accumulation. Because of that, the state subsidizes it in all Western countries.

Another circumstance that is not in Dafina's favor is the increasingly difficult control over created hyperinflation. Although inflation is essential to this bank's business, the fact that it is getting entirely out of control is leading to completely uncertain consequences. John Maynard Keynes wrote: "There is no shrewder and surer way to destroy the foundations of an existing society than to destabilize its currency. The process activates all the hidden forces of economic laws in the direction of destruction, and does so in such a way that not one man in a million can analyze and predict it."

Last week's relative stability in the black-market exchange rate indicates that there are still some controls, but the question is for how much longer. The BBC's Serbian-language service recently broadcast an assertion by Prof. Predrag Stojanovic of Kragujevac University, who said that "besides the one in Topcider, there are at least four other secret printing presses in Serbia," so that no one knows exactly how much money is being printed.

Those who seek more concrete indications of the general social climate and the mistrust of the bank could find an additional argument in the fact that as of Monday Dafiment employees had not received their wages. It does not take much imagination to draw a connection between the banking affair and the frequent arrests and seizures of large quantities of foreign exchange at the border during attempts to take it out of the country. At the Horgos-Roszke crossing in February, a million and a half marks were seized from a certain Miroslav Mirjanic. It later turned out that four customs agents (and several other policemen) at, of all places, the Horgos-Roszke crossing, each got a loan of 20,000 marks from Dafiment.

After controls were tightened immediately after the Horgos affair, the Sofia newspaper 24 SATA wrote that ever-greater sums of foreign exchange were arriving in Bulgaria from Serbia. If we are to believe the old criminology rule that on the average only one-fifth of all crimes committed are detected, then the number of people leaving (naturally with money) is considerable. Which we know from ancient times to be a possible sign that the ship is sinking.

In that way, the predictions of economists and analysts would largely become a reality, except in one segment. Specifically, many have believed that the collapse of Jugoskandik, especially if accompanied by the same fate for Dafiment, would provoke major social unrest. For now, however, there are no indications whatsoever that this could actually happen. The protests by Jugoskandik depositors are tepid and more colorless than desperate. One of Boss Jezda's depositors laughed out loud when he read the notice on the bank door in which the injured parties were called upon to demonstrate: "That will help us a lot!"

Dafina's customers seem even less inclined to any sort of action: "If she goes, then I will survive, and let it be to her credit," says 45-year-old Zarko Pavlovic. Zora, 69, adds: "As long as we are not shot, we will live somehow. I ate 100 grams of corn a day during World War II, and I can do it again."

Dr Stanislava,retired, lost her foreign exchange in state banks, and now with Boss Jezda as well, while with Dafina it is tied up until May. She does not expect any protests either: "Don't worry, that's the kind of people we are. We accept everything as destiny. That is probably why we are in this position."

Dafiment Allegedly Bribed Customs Officers

93BA0803C Belgrade BORBA in Serbo-Croatian 13-14 Mar 93 p 6

[Article by B. Jager: "Dafina Is Bribing the Customs Officers"]

[Text] Yesterday, we received confirmation in the Federal Customs Administration that four customs officers had received foreign exchange loans from Dafiment Banka. According to Dr. Radoslav Sekulic, director of the Federal Customs Administration, this case cannot be linked to the 1.5 million German marks [DM] found on Miroslav Mirjanic, which were confiscated at the Horgos-Reska border crossing. That is, that foreign exchange was confiscated from Mirjanic a week before Dafiment Banka showed enviable solicitude toward customs officers.

Yesterday, they had a talk with those customs officers in the Federal Customs Administration, and they presented legally proper contracts on loans in the amount of DM20,000 from Dafiment Banka, with a repayment term of five years and annual interest of 20 percent. As it was explained to us, a month or two ago the customs officers went to the bank in Belgrade and applied for a loan; the application was granted, and they expected to be called into the Belgrade office of the bank to sign the contracts. However, they were notified by the bank that on 22 February officials of Dafiment Banka would be traveling and would themselves bring the precontracts concerning these loans to be signed by the borrowers at the Horgos border crossing. This in fact occurred, and the contracts and foreign exchange in cash were delivered not in the reception room of the customs authority, but in that of the border police, in the presence of Marinko Solaja, its commander. According to Milos Vujic, director of the Subotica Customhouse, the customs officers, then, "were with the police" (not the other way about), because Dafiment Banka had been attentive in the same way toward several policemen as well.

I put two questions to the customs officers, Dr. Sekulic said: Were they surprised to be offered these loans, and did they think that anyone could get them, that is, had they accorded or did they intend to accord privileges to the lenders because of the loans they had received? The answer to the second question was negative, and the people in the Federal Customs Administration believe this, because these were people who "up to now had done their job effectively and conscientiously." Nevertheless, all four customs officers were temporarily transferred from the Horgos and Kelebija border crossings to another organizational unit away from the border, and disciplinary proceedings were instituted. "We want to save them from pressures and gossip and to establish all the facts."

[Box, p 6]

Loans for Agriculture

Asked by a newsman to explain her statement about the loans which this bank had made to customs officers at the Horgos border crossing, Dafina Milanovic replied that her bank makes loans primarily for agriculture and livestock-raising and provides credit financing to agricultural cooperatives, with a guaranteed price of their agricultural products. That is the purpose of the credit granted by Dafiment Banka. The motivation is "for the peasant to have confidence in making an investment in normal production."

Border Control Increased After Marks Confiscated

93BA0803B Belgrade BORBA in Serbo-Croatian 13-14 Mar 93 p 6

[Unattributed article: "250,000 Marks in the Customs Treasury in One Day"]

[Text] Subotica—After the February confiscation of 1.5 million German marks [DM] at the Horgos border crossing which Miroslav Mirjanic of Belgrade was carrying abroad, controls have been tightened at other crossings on the Hungarian border.

The customs officers on the highway border crossing Kelebija found DM68,000 concealed last night in the jacket lining of a Slovene from Ljubljana.

That same evening and this morning, nearly DM180,000 marks were confiscated from a dozen other passengers, most of them from Belgrade, so that all of the DM250,000 went into the customs treasury in just 24 hours.

Offshore Companies Help To Survive Sanctions

93BA0770B Belgrade POLITIKA in Serbo-Croatian 8 Mar 93 p 9

[Article by Snezana Bogdanovic: "Business by Way of the Virgin Islands"]

[Text] Judging by the ever greater number of firms that would like to make it possible for some more people from these parts to step out onto the international scene without rotting under the burden of the sanctions in their native land, there are two impressions one can get. The first is that the spirit of enterprise has still not been annihilated and that resourceful private operators want to make it possible for us to continue buying in our stores Pampers diapers, Swedish hardtack, Italian shoes, and French perfumes, and the other is that the most enterprising have thought of establishing "firms for establishing firms." Thus, "offices" have sprung up which you can enter, get coffee and a beverage, and "apply" for the new address of your firm to be in Budapest, Athens, the Bahamas, the Marshall Islands, or the Virgin Islands. A wide selection, no doubt about it!

An "Office" in Hungary and Bulgaria

Ana Kristijan-Lenhard worked until recently in a socialized firm in Novi Sad. By profession, she is a lawyer, and because she knows Hungarian, she decided to establish a firm for establishment of firms in that neighboring country. Akta Nove now has offices in Budapest and Kecskemet, but also in Novi Sad.

"The firm was established to help other firms conduct foreign business legally without concealment or violating the embargo. We not only link Yugoslav firms with foreign firms, but we also follow up on their operation, provide secretarial services, let them use our telephone, fax machine, language services, even office space when they have a meeting with someone," says Mrs. Kristijan-Lenhard, whom we found at one of her work stations in Kecskemet, of which she says that it has a "good geographic position, located halfway between Budapest and Novi Sad, near Szeged." She also adds: "It is more difficult as an individual to get through all the entrepreneurial troubles entirely alone than this way, through a larger firm which links up a great number of smaller ones."

Nor has neighboring Bulgaria remained immune to Yugoslav businessmen. Aleksandar Petrovic and Boris Purjakov, who incidentally was born in Bulgaria, but has been living in Belgrade for several decades now, have taken pains to help interested businessmen from these parts through their firm Puls. For 600 German marks [DM] and without much ado, you will have a firm in Bulgaria. This convertible "little sum" is necessary to obtain all the papers and pay the fees, which amount to about DM350, and the services of a lawyer, which cost about DM270. And, of course, there has to be a little profit.

"There are really no problems at all registering the firm in Bulgaria, because the regulations apply to all foreigners, and once all the necessary permits are obtained, it is all even easier, because no one has 'Serb' written on his forehead. A kind of visa to visit and work is obtained right at the outset, and six months later one is entitled to obtain a special "business passport," says Boris Purjakov, adding: "Probably the most valuable thing of all is that after you get all the papers, there is no longer any fooling around at the border, and a businessman from our country, whenever he goes to Bulgaria, has someone to whom he can turn for assistance and advice—to his lawyer there."

Greek Products From Germany

The "Jubik" Center in Novi Sad does not promise you that you will be able to export hams or Leskovac peppers to one of the 26 countries in which they can register your "offshore" company. That will certainly depend upon the ability of each businessman, but up to the point when you pay and obtain the complete package, that firm really has a job to do. The package is valid for Cyprus, the Bahamas, Liberia, the Marshall and Virgin Islands, and another 20 or so countries.

"When I visited the Netherlands in 1987, I became familiar with the principle of the operation and manner of operation of the 'offshore' system. The Novi Sad firm opened in 1991, and during this difficult year we have decided to expand. In two weeks, we are opening a branch in Budapest, and on 1 May of this year our offices are to open in Prague and Bratislava. That will begin to confirm in practice the fact that Novi Sad is the largest 'offshore' center in East Europe for the American IRI system, of which our business is a part," says lawyer Radovan Lalin.

Our informant says that every day businessmen contact them from Montenegro, Macedonia, Serbia, Bosnia, but also Hungarians, Romanians, and Bulgarians. They leave a deposit with the people in Novi Sad, and they then obtain from abroad the registration of the firm in a particular country. However, there are states of which we are residents and which we literally can register a firm from our "chair in Novi Sad."

"While the client drinks a cup of coffee and the craftsman across the way binds the documents, the firm is already created on some point of the globe. That 'satisfaction' costs DM4,205 for the Bahamas, 4,150 for the Marshall Islands, 4,300 for Liberia," our informant says, adding optimistically: "Our motto is We are here to stay.' After all, when an individual establishes a firm somewhere, there is no need whatsoever for him to ever go there. When the goods find their channels, the capital begins to turn over, and the profit grows, that really makes no difference at all."

Although another still unrecognized state has now taken its place between Yugoslavia and Greece, this has not made business people from these parts hesitate to try to do much closer to home what some have done thousands of kilometers away. Thus, Hellas Consulting, which is ready to help businessmen to conduct their business intended for foreign countries through that friendly country, has recently turned up in Belgrade.

"All the doors of Europe's business world, then, are nevertheless not closed. Our firm is ready to do everything—from a needle to a locomotive," says Milan Petrovic, one of the employees in the Belgrade "office," adding: "Our Greek partner is actually a man from here who has been living in Athens for nearly 15 years. He has come to know there and has specifically 'reserved' for us a dozen major businessmen, and business has begun slowly, but seriously. And it all actually began as reflection on the topic 'Why is it we buy things from the Greeks with the Germans as middlemen?'"

Inroads on the Greek market have up to now been rare among business people here, because establishment of "offshore" firms there was very expensive—about $50,000. Everything is much cheaper and quicker through these intermediary firms. The people from Hellas Consulting take their percentage from every transaction, which approximately runs to the amount of DM300-500, but if they also find a carrier, a good service, and other ancillary activities for the customer, then they earn a bit from that as well.

Judging by the increasing number of intermediary firms and the assessments of those who head them that it is possible to live well from this business, we have to believe that at this point "offshore" activities can really help firms here to survive the shock of the sanctions.

Publication of FRY Newspapers Threatened

93BA0768A Belgrade BORBA in Serbo-Croatian 15 Mar 93 p 7

[Article by Ivan Torov: "Is the Press Dying in Yugoslavia"]

[Text] The leading newspapers in Yugoslavia are facing a question that could not be simpler with a seriousness that is tantamount to undisguised faintheartedness and fear: Is the press dying in this country. To some, the term "dying" will seem too strong and gloomy, but it best reflects the state in which the dailies, weeklies, reviews, other periodicals, and local newspapers find themselves. Severe restrictions have become the principal features of a number of editorial offices; chief editors and their boards are more and mainly concerned with how to publish tomorrow (not with what content), how to obtain newsprint, gasoline to get the papers to sales points, enough pages for the mere chronicling of events, how to pay wages....

All the daily newspapers in Serbia and Montenegro, according to incomplete unofficial figures, together print somewhere around 300,000 copies a day, but paid (that is, real) circulation is considerably less, although there is no longer anyone in Yugoslavia, after the slow death of the Business Community of Newspaper Publishers, who is keeping accurate records of circulation, nor anyone, for that matter, who is monitoring the financial situation of the press. The leading figures in editorial offices are reluctant to issue figures on the sale of their product, except when that is to their advantage. Today, nevertheless, no one has any occasion whatsoever to brag about figures on paid circulation. At the same time, no one is concealing that the situation is extremely dramatic and that Yugoslav space could simply be left without a daily press at any moment.

A Boomerang of Political Alliances

Even the former Yugoslavia, for that matter, could not boast of high newspaper circulation except in that postwar period of several years of administrative socialism, when reading the party-controlled press was not only an obligation, but even a matter of honor and party discipline. Nor was there any real competition (TV still did not exist, the radio was a carbon copy of the newspapers). Today, television and radio dominate not because of their programming and editorial attractiveness, but exclusively because they are free in a manner of speaking and available at home; their use does not involve reaching for the wallet every day, and even failure to pay the subscription does not always mean being deprived of this sole source of information and entertainment. Under the present insupportable circumstances, when hyperinflation and the sanctions are simply destroying all social values, the Yugoslav press is losing that race and not just at the starting line, although it is doing its best to stay on its feet.

The trend of a very drastic deterioration of the position of the press first became noticeable back in the mid-eighties, when economic crisis became a way of life in what until recently was a six-member Yugoslavia. The joint state, in an endeavor to stay alive itself, had neither the time nor the desire nor the money to give any measure of concern to the press, figuring that that did not serve its interests in day-to-day politics and it did not have to survive. The indifference of the government, of course, was a sufficient occasion for many newspapers to free themselves of its tutelage, of the restrictions that had been in place and of enslavement to ideological stereotypes, and to undertake a more courageous journalistic commitment. To whatever extent that period at one moment seemed favorable for a democratic flight of the journalistic profession, at least for the strongest and economically most powerful press, it was equally an introduction to new political-editorial escapades and risks that came later and would not only reduce the reputation of certain leading daily newspapers and relativize the tradition they had built over several decades, but would come back to them like a boomerang in the form of a dramatic decline of circulation and overall economic strength.

The disintegration of the party and the indicated disappearance of the joint state toward the end of the last decade caused a general social and political confusion for which the bill was also paid by the newspapers. Drastic changes in the political climate in all the republics of the former Yugoslavia and the ever stronger penetration of nationalist commitment of the republic political administrations relativized the ideological monolithism of many regime-controlled (government-controlled) media, leading them more and more into increasingly frequent changes of their editorial course, to which readers were exceedingly sensitive. It is interesting, however, that the national euphoria did not bring increased circulation to some of the leading newspapers, it cut the paid circulation of some to what appears to be a small fraction of what it was, and this shook up the journalistic ranks in their previous stubborn belief that the public would accept whatever the newspapers offered them.

The Uninterested Government

The literal disintegration of Yugoslavia, wars on the territory of Slovenia, Croatia, and Bosnia and Herzegovina, and the creation of the new ministate had the most direct impact on the status of the newspapers. Whereas for television it was sufficient to be viewed in its "own" respective region, the newspapers lost entire markets in the blink of an eye. Even at the end of last year, paid circulation of the leading daily newspapers in Belgrade ranged from some 40,000 to a maximum 150,000 copies, with returns that relativized those figures considerably. The dailies, the weeklies, other periodicals, and illustrated newspapers experienced the greatest possible trials last year. The rising hyperinflation canceled every effort to make headway on what is now an essentially reduced territory and market. The publication of a dozen daily newspapers in Serbia and Montenegro depend

exclusively on the ability of just one sole newsprint factory (Matros in Sremska Mitrovica) to meet their needs. The prices of newsprint, basic production supplies, graphics services, and transportation costs went through the roof. Frequent changes in newspaper prices often were not even enough to cover half of newspaper printing costs, but they had a powerful impact in causing a further drastic decline of circulation (with occasional exceptions). The average reader first opted for just one newspaper, and then this year, facing the choice between the newspaper and bread or milk, he opted for TV. The number of pages has been decreasing rapidly, newspaper prices vary widely—from 2,000 to 4,000 dinars, journalists are more and more often uncertain that the paper will appear on the newsstand the next day, and in some papers the earnings of journalists are a direct reflection of the low state to which Yugoslav journalism has fallen.

The sanctions of the world community have added dramatic new tones to the deteriorated state. The lack of fuel jeopardizes the operation of the only remaining newsprint mill, and the importation of paper is not permitted. UN permits for brief periods to allow certain independent dailies and weeklies to import newsprint and production supplies did not greatly improve the situation, and in the meantime they were lost in the general gloom in which the Yugoslav press found itself. The government has more urgent concerns than the fate of newspapers (except when it needs them for particular reasons), newspaper staffs are subjected to strong waves of disintegration, partialization, and indeed even a kind of feudalization, ownership transformation is going very slowly in newspapers, appearing to be more the exception, and failing to yield real results. In short, some newspapers and their management teams face the choice of either continuing to publish from day to day, of deliberately reducing circulation because they are unable to pay the higher costs, of drastically reducing the size of staff and reducing the number of pages to a "mimeographed newsletter," or of simply putting the key in the lock.

Seriously, is the press dying in Yugoslavia? Over the next several days, BORBA will be publishing interviews about all this as well as about many other specific problems in Yugoslav newspapers with the leading figures of the dailies, weeklies, other periodicals, and regional and illustrated newspapers in Serbia and Montenegro and with the government officials and experts concerned with these problems. (To be continued)

Serbia-Montenegrin Relations Called 'Dangerous'

93BA0804A Belgrade VREME in Serbo-Croatian 8 Mar 93 pp 22-24

[Article by Velizar Brajovic]

[Text] There was no one at the railroad station in Podgorica—no journalists, no TV teams, no police, no relatives, because no one knew what had happened. And we passengers who had experienced a hit-and-run attack at Strbac waited an entire day for the official confirmation of this. Only then was the public informed about several dozen passengers being taken away—coolly and with no excitement, leaving the public to conclude for itself who took them away and why. It was only two days after the kidnapping that we were hit by the press release of the Montenegrin MUP [Ministry of Internal Affairs], which said that they would take and had been taking all measures with the federal authorities to find and return the kidnapped citizens of Montenegro....

This is one of the stories of the several hundred passengers on Fast Train No. 671, which was stopped on the Belgrade-Bar Railroad on 27 February on the territory of the former Republic of Bosnia and Herzegovina, as told by informants who wish to remain anonymous. "Why should you publish my name and thus expose me as a target?" our informant said in a panic. "Today, only fools are brave, and, to tell you the truth, I do not know who might be after me for telling the truth. After all, if the authorities wanted eyewitness accounts to be published, it could easily have done that, waited for us, had a talk, and made it public. At first, we all wanted to do that in a way, but this silence killed our desire and issued a fierce warning. It is a silence which hurts, because people, our acquaintances, friends, citizens of this state, of a state which two months ago was papered over with posters advertising the 'forces of the state,' have remained there. It would be no wonder if tomorrow the kidnappers were proclaimed to be patriots and were even given decorations for this 'exploit.' There is nothing random here or unforeseen. All of this is being done according to plan."

The Accounts

"I saw at once who these kidnappers were. A bearded man with a cockade on his fur hat entered our car and said loudly, 'We are Serbian Chetniks,'" recounts a middle-aged woman who was "quaking with fear" at that moment. "A man accompanying him with an automatic weapon exchanged greetings with a passenger in another compartment, and that is how they learned that they were from Niksic. They thrust one Muslim out roughly, without allowing him to take his things. None of us heard them asking for or taking away any Serb, and it is simply incredible to us that that was emphasized in the press releases later."

"When we set out from Uzice, a police patrol went through the cars. They looked at the passengers, and they asked those who seemed suspicious whether they were carrying weapons, and they took a look at their luggage and other effects. When the train was stopped, it never occurred to us that we were in Bosnia, that is, that this was not a checkpoint looking for smugglers or commandos. The finger on the trigger of the automatic weapon chilled the blood," recounts a 20-year-old, emphasizing that he never felt more helpless than when they led past him a person of his age, with an automatic weapon pressing against his back, especially when he saw his blank look and the trembling of his chin....

Thus, these differing views of a classic kidnapping, a crime that will be talked about for a long time, come one after the other, but there will be even more talk about the reactions of the official authorities following it all, that is, about the silence that prevailed. Various stories are retold, even those who quite by accident escaped traveling by that train have a story to tell, stories whose purpose is to put together the mosaic of a successful operation planned to the last detail. Many have said, "Never again by train." In the end, probably, ethnically pure trains will travel between Belgrade and Bar. The evidence of this lies in the published list of the passengers kidnapped: So far, only 18 Muslims have been identified. Do the objectives of that operation compel silence, and, in the general assessment, even concerning the unexemplary reaction of the government—is the question making the rounds these days, a question which no one looks at in isolation from the overall aspirations and events caused by the way the joint state has functioned up to now.

The Conflagration of War

There are few who do not associate this with the events this summer in Pljevlja, with the outcome of the trial in Bijelo Polje, with the inauguration of the new government, with the events in the Prevlaka zone, linking all of it to the intention of disciplining the Montenegrin leadership, which in turn is no longer hiding the fact that it is not agreeable to unquestioning obedience to the Belgrade regime. What is more, there is great fanfare for Montenegro's effective diplomatic activity, which has the world looking favorably on this federal unit, expressing a readiness to overlook whatever it does. What is more, it is also ready to remove from its back the burden of the increasingly ruinous sanctions.

However, for the present the Montenegrin government is taking no steps to remove the increasingly obvious danger embodied in the activity of Branko Kostic, Bozidar Vucurevic, and other self-appointed custodians of the destiny of an increasingly dissatisfied people. It is difficult to say how much truth there is in the story that the leaders of the Montenegrin government recently called Dr. Branko Kostic in for a talk and cautioned him to give up certain activities, but Mr. Vucurevic continues to be a frequent guest of people of like mind in Montenegro. A few days ago, he even visited Metropolitan Amfilohije, and every visit he makes in Montenegro is perceived as a stubborn insistence that the conflagration of war be carried over from Bosnia to Montenegro, that is, as an accusation of Montenegro for having accepted the Muslim refugees from Trebinje.

At the same time, it is astonishing that the Montenegrin government has not made itself heard concerning the killing of a reservist by a "shell fired by the Ustasha forces from Dubravka on the border locality Sitnica," as was reported by the news service of the Army of Yugoslavia. No one has concerned himself publicly with the fate of the fighter who was killed, and various stories have gone around about his death: Specifically, the other army at the meeting of three borders has been accused. In addition, there have been dissonant tones too long between the press releases of the Army of Yugoslavia (on which the Montenegrin government has no influence whatsoever) and the Montenegrin MUP. According to the report of the former, the invasion of Croatian forces can begin at any moment, while the Montenegrin security people issue assurances that the situation is not out of the ordinary. The published report of fire being opened from Dubravka on the territory of the FRY is being perceived by more and more Montenegrins as an attempt to draw Montenegro into the war in that region. Perhaps they would even have succeeded in that if the attempt to mobilize Montenegrins, even those from Boka Kotorska, had not experienced an utter fiasco a few months ago.

The Government's Silence

By showing concern for the Muslims from Herzegovina and by broadcasting the news that Serbia refused them hospitality, Montenegro won important points with the international public. It is a question whether that fame could "kill" the Montenegrin government, but it is a fact that those Muslims themselves have come under attack from certain media, and have been specifically accused of engaging in the selling of the food which they have been receiving as aid. And while the Montenegrin government is constantly emphasizing that at no price will it allow a possible change in the constitutional status of Montenegro, nor consent to an unequal representation in the personnel of the bodies of the federal state, the hit-and-run attack did occur on the Belgrade-Bar Railroad. President Bulatovic has been silent about the kidnapping (at the time of writing this article, he had not granted the request that he receive the relatives of those who were kidnapped), the incumbent party is also silent, and press releases and harsh reactions are coming only from the Montenegrin bloc authorities and the Citizens Forum of Montenegro, which have been pointing to the danger of this "criminal and fascist move." The government's silence forces us to suspect complicity, says the Social Democratic Party of Reformists, while the Citizens Forum emphasizes that such crimes could evoke in Montenegrin Muslims "a desperate reaction of self-organization that would serve those who are pulling the strings of the war in Belgrade as an excuse to carry the conflagration of war to Montenegro and to make of it yet another ethnically pure fire site, conquered forever."

The Command of the 2d Army District laconically reports that the event is not in its jurisdiction, because it occurred on the territory of another state which they do not control. "If they do not control them, they do control us and hold us hostages," is the reaction of citizens who present the figure on the number of military trucks of the Serbian Republic they have counted at such-and-such a red light in Podgorica. The assertion that the relevant section of the Belgrade-Bar Railroad through Bosnia and Herzegovina is not controlled by the so-called Serbian forces is received by the citizens of Podgorica with irony and questions: "Why don't the mujahedini blow it up, why don't they stop a few trains, why don't they fire a single round either day or night?"

The kidnapping, it is generally believed in Montenegro, is perceived as gunfire aimed at the Belgrade-Bar Railroad and the threat that that line could be severed overnight. A single bullet attempted to realize several objectives: to warn the unruly Montenegrin leadership and to make relations tense between Muslims and Montenegrins. The government omitted the occasion to use an appropriate reaction to collect a few more points on the international political scene and, most important, in Montenegro. This way, the citizens of Montenegro have lost their sense of security, which has been undermined by the announcement of the civil defense staff that people should clean out their cellars. What can happen at a time when more and more Montenegrins see the way out in a severing of a dangerous tie with the Belgrade regime? That possible move, it is generally believed, would provoke the anger of the armed forces in Montenegro, and at the same time it could be prevented by provoking an internal conflict which the war strategists, following a tried-and-true recipe, would justify with the international public in terms of a conventional internal conflict. A pretext for precisely that is being sought all the time, say sources close to the Montenegrin government.

Controlled Blockade

After a lengthy time, President Momir Bulatovic did speak out, but only with congratulations to Dr. Radoje Kontic. The congratulations emphasized the hope that everything would be done to create a law-governed state that would guarantee freedom and all rights to all citizens. Many in Montenegro, however, do not even have the right to life. President Bulatovic, it is generally thought, has been silent for too long. He even passed over in silence the threat of Ceko Dacevic on the eve of his trial: "If something happens to me, I will say everything." What it is that Ceko Dacevic had and has to say about the top political leadership of Montenegro still remains a secret. Ceko Dacevic, now released, says that there would not have been Serbian casualties if he had been free. Vojvoda Vojislav Seselj added to this the assertion that the Muslims of Pljevlja carried out a massacre in Cajnice.

After the beating and killing of Muslims, the most recent accusation from Dacevic and Seselj about the events in Cajnice is a cover for the actions being carried out in the border village Bukovica. No one can count any longer how many Muslims from there have been apprehended and turned over to members of the army of the Serbian Republic. It was reported that there were more than 30 of them, but the most recent figure, not sufficiently verified according to the sources themselves, indicates 70 Muslims who have been turned over. No one is any longer in a position to make a report, because it is simply impossible to go to Bukovica: it is under blockade. The young inhabitants have mainly fled outside of Montenegro, and some have stayed with relatives in Pljevlja. Whoever goes to visit old relatives does not come back. Many say that the local people of Bukovica are being apprehended by auxiliary police and then sent to Bosnia. They add that all of this is coordinated and an integral part of the plan for ethnic cleansing of Pljevlja, Prijepolje, and Priboj. No one, obviously, is opposing that measure. Neither the police nor the army that is guarding the border.

And while the results are awaited from "all the measures taken," information has been leaked that the passengers kidnapped from the train are in Visegrad. This is accepted by the optimists; others say that they are not among the living. We will see who will accept responsibility for that, as well as for the wave of pressure from extremists that is already evident in other places in Montenegro as well.

In the end, people in Montenegro are quoting more and more frequently the commandments of Peter I Petrovic, which are disrespectfully turned into a curse: "Let everyone seeking freedom in Montenegro find refuge." The curse is already coming true, they say, because it is a curse to be a silent observer out of fear of uttered speech, giving in to a killing silence, and all of this in order to avoid labels which have lost any meaning anyway.

Serbia

'Mafia' Linked to Profits of Arrested Minister

93BA0804b Belgrade VREME in Serbo-Croatian 8 Mar 93 pp 18-19

[Article by Dimitrije Boarov: "The Vlajkovic et al. Affair"]

[Text] Is the arrest of Sava Vlajkovic, former minister of trade, hostelry, and tourism in the Serbian government, on 1 March, with pretrial custody beginning officially on 2 March, the beginning of a well-thought-out operation with a strictly limited range, or is this the beginning of a broad-scale campaign against crime, so that it would be easier to inaugurate the system of war egalitarianism after a "moral catharsis and self-induced purge"—is still not known. From the way the affair echoed at the outset, it is most likely that no one will be able to keep under control the "scapegoat" scenario.

Perhaps the argument that the plan was for Sava Vlajkovic to be the "only culprit" in the top leadership of the government is supported by the fact that two other people were arrested with him—Andrija Jovicic, assistant trade minister, and Divna Korac, a market inspector from Valjevo, suggesting the conclusion that the burden of "abuse of official position under Article 242 of the Serbian Criminal Code" would be narrowly located on one decisionmaking chain, involving a channel for goods and bribes. Perhaps it was so conceived, to pursue this hypothesis further, that limiting the indictment to one case or several cases along the Vlajkovic-Jovicic-Korac

line would in some way preserve the prestige of the Serbian government and also save the skin of Dr. Radoman Bozovic, for whom the accused Vlajkovic was his "right hand" in the Vojvodina Executive Council and also in the Serbian government.

But the specific indictment was not fast enough to prevent the daily press from easily proving with lightning speed, in the absence of a specific tale, that Vlajkovic and company could have been stealing in 1001 ways—because such discretionary power is simply concentrated in the government of Serbia that the Almighty himself could hardly resist it.

Large Powers

If we recall that back on 17 November 1991, SLUZBENI GLASNIK SRBIJA [OFFICIAL GAZETTE OF THE REPUBLIC OF SERBIA], No 70, published three decrees of the government of Serbia—on special conditions for the trade in goods and services, on a ban on the selling of certain products (outside the republic), and on the obligation of obtaining prior consent for exports and imports—and then later merely "added" to them self-authorizations, then no one today should be surprised that corruption has reached such a high level. Dr. Radoman Bozovic and his team were a few weeks later in a position of implementing those decrees and adopting a new one to preserve the "national interest." Because such a valuable interest was being preserved, corruption seems to have pulled immense amounts of money into the game. But it began almost harmlessly, perhaps with that nice briefcase.

A story from Subotica has it that four years ago an acquaintance with a nice brand new briefcase entered the office of Docent Bozovic, who had ambition and political promise. When Dr. Bozovic put him the typical central European question: "Where did you get that briefcase?" it turned out that he had just received it in Backa Palanka from Sava Vlajkovic, a sales representative for Merkur. Bozovic, whose face lighted up, said that this was a man he had known in the army, and he called up Sava, and a chauffeur immediately brought a briefcase to Bozovic. This bore out for the umpteenth time Bonaparte's true statement that every one of his grenadiers carried a marshal's baton in his bag. To be sure, this was not really Vlajkovic's briefcase, but it reminded Dr. Bozovic of the "quality expert" in revolutionary Backa Palanka, and later he was to take that friend into the Vojvodina Provincial Executive Council, and he appointed him director of the Provincial Fund for Economic Development. Since that time, Vlajkovic has followed Bozovic, always holding a post that involved the distribution of money, goods, or rights. Did their careers part ways on 1 March, when, according to BORBA, Vlajkovic dropped by Dr. Bozovic's office in the Yugoslav Assembly just before going to the "background interview" in the Serbian MUP [Ministry of Internal Affairs]—presumably to seek protection? Bozovic, who was too busy, he was deciding the fate of the Kontic's government and the National Bank of Yugoslavia that very day—promised that he would later have something to say for the public about the case of his friend. We can only guess what advice he gave to Vlajkovic. Perhaps in that context there is interest in the statement of Vladimir Horovic, a Novi Sad lawyer (whom it seems the Vlajkovic family has included in the defense team), that "the defense expects Sava Vlajkovic to defend himself with silence." That is, even law clerks know that silence is the best defense when the prosecutor has a large space in which to maneuver and when it is better to leave it to him what and whom to choose. After all, if someone powerful wanted to protect the accused, there never would have been an indictment in the first place.

Afterthought

Before guessing what is and is not in the indictment against Vlajkovic, let us try to put another question. Why was the investigatory action against the former trade minister set in motion on precisely 1 March, a few weeks after he left his government post. After all, if we think back to that visit which Slobodan Milosevic, president of Serbia, made to the Bozovic government last fall before the election, we will recall that on that occasion the discussion turned not only on economic development under the sanctions and the unambiguous support of his employer—but he also spoke for the first time about the need to fight crime. It must have been that "even he" had already learned something about the price of various government permits—which at that time had already climbed to a fantastic $100,000 for sizable shipments.

Perhaps subsequent reflection might connect the removal of Dragoslav Jovanovic, who headed the Serbian Settlement Agency, and the removal of Dusan Mitevic, who headed the Republic Commodity Reserves Directorate, more with the "chain of the able Sava" than with the reasons given or not given at the time. Jovanovic was supposedly removed because of his awkward exchange of money, and Mitovic because of his association with Panic. This afterthought might be supported by the assumption that in all the major machinations involving government goods and hot cash high decisionmaking speed is desirable and can be guaranteed only "in a family" in which there is no question about who gives the orders and who obeys them.

So, why were the investigatory actions undertaken just the other day? Were they waiting for Bozovic and Vlajkovic to part company, to save the former or to save the government of Serbia itself? Perhaps Vlajkovic, free of his ministerial post, had just begun to spend fabulous sums? This assumption is not overly logical, because the remodeling of the apartment at No. 25 Zmaj Jovina Street, for which Vlajkovic is said to have refused 250,000 marks, had just begun, and that kind of work cannot be initiated in 10 days or so even without a city permit. Another premise that is offered is POLITIKA's guess that Vlajkovic made a mistake in distributing six Mercedes automobiles, which he is said to have

imported for patriots who had done their service in the top level of government. But expert crooks usually do not make such mistakes, and when they do, they quickly correct them.

Helping His Brothers

The gloomiest premise of all is that someone in the top Serbian leadership finally realized that there is no longer enough flour under government control and that some mischievous rascals in their own ranks have to be sacrificed in order to explain to the people why there is not enough bread. And Vlajkovic is a convenient figure for that role. BORBA has already estimated that about 200 private firms were getting flour and sugar through middlemen who were probably "linked" to Vlajkovic's distribution of food "of vital national importance" from state reserves. Let just the roughest calculation show how lucrative such a "trade policy" of the former minister in charge could be. Assume, for example, the difference between the official price of flour or sugar and the real price to be only 5,000 dinars per kilogram—then the gross profit on just the first 100,000 tons of goods is 500 billion dinars, which is equal to the government budget of Serbia (even Topcider did not manage to print that much money last year).

People from the "gray zone" of business who also "talk about" other ministers "with signing authority" say that firms under the patronage of those newly established banks and Serbia's savings banks, which have been giving the highest rates of interest and have actually been conducting the government's social welfare policy, usually purchased themselves or financed transactions with the cheap goods from government reserves—because the crooks who were buying them frequently did not even want to risk their own money. It is difficult to establish at this point whether those banks and savings banks had "offset" the high rates of interest with the help of those lucrative transactions. And it is still more difficult to establish that the Serbian ministers also grabbed the "margin" on social welfare.

Meanwhile, it is an old rule among con men that big money can be made only from the government and the poor. There is perhaps proof of that rule in all the various versions of exports to the Serbian Krajina and the Serbian Republic. After Vlajkovic, Jovicic, and Korac were arrested, assumptions were made in the press that convoys of food or fuel were dispatched or were supposedly dispatched to Bosnia with Vlajkovic's official permit—at official prices (and perhaps even with the support of export credits from the Central Bank), and turned into money who knows where and at who knows what price—and that in the government warehouses they were "written off" as aid to brothers in trouble. It is an open secret, after all, that almost all Yugoslav goods being exported to the world today are covered by Bosnian, Croatian, or Macedonian paper.

Borovo and Fruska Gora

Sava Vlajkovic himself long ago learned the rules of "krajina trade and economics." Not only was he at one time the top man in the Varazdin factory Yasa, but back in the summer of 1990 Dr. Bozovic also appointed him president of Borovo Holding, the firm formed from the stores of the leather and footwear combine in the suburb of Vukovar that at that time still had not been liberated. It seems that in the early going Vlajkovic felt that he himself would be able to "filter" transactions through the network of the 223 stores of that firm, whose headquarters were in Novi Sad. The firm was "ideal" for adroit enterprise, because there was legal confusion concerning it—no one knew whether it was a "foreign" firm, the new owner-liberators did not even have behind them what is now called the government administration of Krajina, and the workers at the stores wanted some war booty themselves. In that legal mess, Vlajkovic withheld sales tax in the amount of 66 million of the dinars at that time (90 million is now being mentioned), distributed 11 housing units, some in Sombor and some in Novi Sad—and tacked onto the sales network stretched all over Serbia and Montenegro some private firms "close to himself." However, he came up against a "hard place." The boys from Krajina first took the apartments, and then raised a ruckus on behalf of their immediate homeland. Nor were the store managers happy about the daily take being collected "by computer" (that is, immediately). In order to stifle the rebellion, on 23 March Vlajkovic, already Serbian trade minister, implemented a decision to shut down all 223 Borovo stores. Two days later, the workers were under the windows of the Serbian Assembly demanding his resignation. Vlajkovic immediately issued a new decision vacating the previous one. Paroski, at that time a deputy, demanded a parliamentary investigation, but Vlajkovic was protected by Bakocevic and Maljkovic (it is of interest that Maljkovic does not figure in any of the governments formed in recent days).

So long as we are talking about recent Serbian economic history, we might also mention that Dr. Bozovic was also not lucky when Sava Vlajkovic and Koviljko Lovre (the most recent federal agriculture minister) traveled to Italy to rent the Fruska Gora to some not very well-known business man. Paroski, whom we have already mentioned, also made a racket at that time, in 1990 (prematurely), so that Bozovic and his people pulled out of the entire operation in time.

Travel Agencies Selling Visas to Businessmen

93BA0770A Belgrade POLITIKA in Serbo-Croatian 8 Mar 93 p 9

[Article by Lj. Rabrenovic: "A Visa for 100 Marks"]

[Text] It seems the long lines in front of the embassies will soon disappear. Not because people will not want to travel, but because travel agencies, aside from selling airplane tickets, are more and more getting involved in

obtaining (selling) visas. At the moment, for certain countries. Some of them have gone even so far as to provide home delivery to their customers. That is, they have service departments which, if you want to travel somewhere and become ill or are too busy in the meantime, will come to you and pick up the necessary documents. Sometime later they will bring you the visa, which costs 100 German marks [DM].

On the advertising pages of newspapers, the most frequent offering is an entry visa to the Republic of South Africa. Until recently, however, all those interested in an entry permit to that distant country had to go to Austria. These travel agencies, in a manner known only to them, obtained them in between four and 20 days.

Through the Bell & Bell Agency, one can even obtain a visa to visit Austria as well as entry permits to Great Britain and, of course, the Republic of South Africa.

"Until recently, we were able to provide visas to many other countries. However, because the situation in the country is not improving, our neighbors near and far are becoming less and less hospitable, and they are more and more frequently refusing to issue us permits to enter their territory. In any case, neither we nor our counterparts in other travel agencies can 'arrange' visas for the United States, Canada, Switzerland, and Germany, nor were we able to in the past," says Sanja Tusak, director of the Bell & Bell Travel Agency, where it is possible to obtain just a visa, without buying an airplane ticket or travel package. For the charge of DM100, of course. The condition for obtaining a visa in all other agencies is that you buy an airplane ticket or some travel package that is offered.

Thus, the Beo-Afrika Travel Agency provides visas for the Republic of South Africa, but exclusively as part of a travel package (roundtrip ticket and a one-month stay in a hotel in the center of Johannesburg), which costs $1,380. Visas for a three-month or six-month stay are obtained in seven days. The groups are usually between 15 and 20 people, but that number always increases, they say in Beo-Afrika, when the news indicates that the situation in the country is becoming more tense.

In the travel agency Novo-Trejd, they also obtain visas for the Republic of South Africa with an airplane ticket and hotel package. The price is $1,100, and the way the visa is obtained is a trade secret. The travelers go by bus to Budapest and then continue their trip by KLM.

The bus to Budapest or Sofia, incidentally, is mainly provided by the tourist agency Cepter, and a one-way ticket is 300,000 dinars (the ticket is, of course, included in the entire package and cannot be bought separately).

Personnel in these agencies say that so far none of their travelers have had problems at the border of the country for which they have obtained a visa.

"By and large, we make a selection and are careful for whom we 'arrange' a visa. We decide in favor of people who seem decent and business people, and we reject those who seem suspicious to us and who would be likely to hurt our reputation if they went," says Sanja Tusak.

Although a return ticket is included in all these packages, very few have come back so far, at least from the Republic of South Africa.

Company President on Struggle Against Sanctions

93BA0770C Belgrade POLITIKA in Serbo-Croatian 8 Mar 93 p 8

[Interview with Dragan Tomic, president of Simpo, a company in Vranje, by Blagoje Komljenovic; place and date not given: "Family Factories as a Protection Against Sloppiness"]

[Text] As the economic crisis deepens and the army of workers without a job multiplies in the country, at Simpo, a company in Vranje, they are continuing in the old way: Production in all 14 factories is continuing without a stop, and in 1993, their anniversary year, they plan to increase the physical volume of output by all of 30 percent. Nor are they delaying development for better times in the future. On the contrary. We asked Dragan Tomic, who has headed this exceedingly successful Serbian firm for all of 26 years, the secret of success at Simpo, which is getting better and better known in the world.

[Komljenovic] Simpo's slogan is this: More and better every year. Did that happen even last year, under the conditions of the blockade?

[Tomic] Although we did not attain all the targets we planned, the physical volume of production was 2.8 percent higher than in 1991, and productivity was up 12.5 percent. All other economic indicators were also better. Exports, our primary preoccupation, were larger in the first six months than in all of the previous year. Unfortunately, the volume planned was not achieved because of the embargo. We made it possible for the workers to work the entire year without a stop or mandatory leave. The standard of living was also maintained rather well. Earnings were considerably above the average in the country, in the republic, and our region. The lowest salary did not fall below 100 German marks [DM], and in the last months of 1992 it did not fall below DM200. In view of the conditions in which we operate, our assessment is that last year we confirmed our philosophy: Every year, more and better.

[Komljenovic] It is no easier for you than for others. The blockade affects you still worse because you are a large exporter. Nevertheless, you are continuing to increase production. What is the secret of your business performance?

[Tomic] For years, we have been building factories which differed in conception from others in the country. We have thus created a large company with flexible capacities and programs. Each of our 14 factories is in

some way an optimum by European standards. That is why it is less difficult for us today than for others. Our strategy of linking production and trade within the country and in the world has proved effective. Last year, for example, Simpo's firms in the United States and Australia operated even under the conditions of the embargo. All of our firms in the world are actually operating as domicile companies in the host countries which makes it possible for them to engage in reexporting transactions without hindrance.

We also formed our own firms in good time in neighboring countries—recognized or unrecognized. Simpo in London, for instance, has its own facilities (11 sales rooms) in Macedonia.

[Komljenovic] It seems the blockade will persist. It will be still gloomier, the battle for bare survival is becoming more intense. Will Simpo survive?

[Tomic] We adapt in time to all business conditions. I would recall that this is an anniversary year for Simpo—the 30th year of its existence. We were prepared for a large boom, but conditions are hampering us from realizing all the desired benefits. Nevertheless, we decided in the anniversary year of 1993 to increase the volume of physical production by 30 percent in the present capacity and also to achieve growth of all other economic parameters.

[Komljenovic] Now we have really gone into hyperinflation. How can we rescue ourselves from that greatest economic evil?

[Tomic] The way Simpo operates. There is no getting out of the crisis without new production.

[Komljenovic] In your first speech as a deputy in the FRY Assembly, you pointed out just that.

[Tomic] Throughout the entire postwar period, physical production has been given the short end throughout the entire postwar period, which is striking. Second, the government dictated the kind and size of production plants that were to be built, and then it insisted that those factories be managed strictly along the lines of self-management. Those were the two main enemies in the development of physical production. The next enemy lay in the protection of the large systems in foreign trade; they would not allow producers to also master that activity. Finally, there were various undertakings that drained physical production.

Because of the structure inherited in this sector, I think that now we need to hurriedly build small flexible factories, with all forms of ownership, of course.

[Komljenovic] It is said that this is not a time to invest in development, but that the most lucrative thing is to keep goods in inventory and let the money earn interest in the banks. Do you share that opinion?

[Tomic] No! That is only a theoretical appearance and short-term egoism. That is how national gravediggers operate. We at Simpo are increasing our production and immediately selling the output. This does not mean that we do not know how to save. We are not committed to speculation, we are not willing to do anything detrimental to our people.

Do Not Destroy What Exists

[Komljenovic] As a successful and prestigious business executive, you have been perpetually "pushed" into various forums, and they have taken away valuable time from you. Now you have again been elected federal deputy. What will be your greatest preoccupation in the FRY Assembly?

[Tomic] Under normal conditions, the top man in a firm has so much work that 24 hours is always short. Today, that shortage of time is still more pronounced. It really is a pity to bring business executives into political forums. This time, however, I judged that I should accept the deputy's seat, because creative business forces must be in evidence in the Assembly. That is where the entire life of the state is to be shaped, standards adopted for the material existence of the citizens.

I will be working above all for equal forms of all types of ownership. I am against breaking down what exists, as has been done in the former socialist countries. We must not allow that, but must add on to the level of development that has been achieved—along with the unavoidable privatization, of course. It is already being confirmed in practice that we have not taken the right road in ownership transformation: There has been too much commitment to the trade sector and hostelry, while it is a real rarity for any private operator to decide in favor of physical production.

[Komljenovic] What is your reproach of the governments we have had until recently, and what do you suggest for the new republic and federal governments?

[Tomic] Inefficiency, I would say, is the greatest fault of all the governments so far. Everything is discussed and philosophized about at excessive lengths, without professionally competent creativity. The moves that are made are not even made in the right order. They have trouble distinguishing the important thing from what is secondary. That is why we are almost left without a business system or monetary system. After that, we left the question of ownership transformation open for too long a time, and the consequences of tardiness are immense. As I see it, governments must give priority to that job. The door should be open wide to all forms of ownership. The laws must protect what exists, nothing should be destroyed. Let the principle taken as the point of departure be: What is mine is mine, and what is not must be purchased.

[Komljenovic] The governments do have economic councils; however, there is hardly ever a business executive in them.

[Tomic] The old practice is being continued. The selection of topics and approach to them is something else. Should the economic councils be concerned only with scientific debates, or with the practical application of science? As this has been done up to now, this is a futile waste of time, and that is why the real businessmen do not take part in their proceedings. That is politics without life, the constitution drafter's way of making judgments about economics.

Family Factories

[Komljenovic] Have you ever been offered the post of prime minister or minister?

[Tomic] I feel that those are serious posts which require wise, intelligent, and vigorous people, people who turn into computers when they go to work, who give up many things. As I see it, a man must commit himself to success in any job. The main reason why up to now I have not accepted any other than what I do is my project to create Switzerland in the south of Serbia. That is my life. If we had teams like that all over the country, we would not be talking about hunger and hyperinflation, not even under the conditions of the blockade. I know that a large number of my colleagues will not agree with me, but we must acknowledge that we could have done more.

Governments must free themselves of operating through the cabinet; they must turn the work over to administrative agencies. Every ministry ought to be a government in itself, and I, for instance, a minister in the government of the economy.

[Komljenovic] This is Simpo's 30th anniversary year, and your 26th year heading it. When was it most difficult?

[Tomic] Today, certainly! The embargo has taken our arms and legs. This misfortune hit us when Simpo had prepared itself for a revolutionary leap forward. Not only are we working under difficult conditions to ensure profit for this year, but we are also taking pains to wisely secure ourselves a good starting position for rapid return to the world market after the sanctions are removed.

Simpo has immense productive capacity, it has to be employed and then everything produced has to be marketed.

[Komljenovic] You have never neglected development. What is coming next?

[Tomic] Our new offensive comes next. We are constantly working to round out the present technological process and to build new plants. We have 10 projects completed for diversifying production from furniture into the fields of textiles, the chemical industry, the metals industry.... Simpo would invest and so would private operators, but Simpo would always have the majority share. There are many people interested even from abroad.

Family factories—that is our innovation, our protection against being dependent upon foreign countries and against Yugoslav sloppiness. It is with them that we want to enrich the region and people. With the help of Simpo, there will be many owners of many factories and workshops who will meet our needs with their products, and the successful ones will be able to supply other consumers in the country and the world as well.

We are, of course, not giving up on having a still greater access to the world market, especially in the former socialist countries. We have prepared projects for us to be their suppliers not only of furniture, but also of consumer goods.

[Komljenovic] You are said to be a strict chief operating officer. At Simpo, however, they swear by you. Simpo is simply unimaginable without Dragan Tomic, and Dragan Tomic without Simpo. One would say that that places a still greater obligation on you?

[Tomic] I have assumed the obligations, 26 years ago, to save Simpo. Today, it is among the first in Europe among furnituremakers. The work has always been teamwork, and an opportunity has been offered to young and able people. Today, we really have a strong human potential in our personnel.

Montenegro

Djukanovic Role in Criminal Activities Alleged

93BA0796A Kragujevac POGLEDI in Serbo-Croatian 19 Mar 93 pp 13-15

[Article by Komnen Radevic: "The Balkan Al Capone"]

[Text] This is a man about whom everything and nothing is known. At age 27, he became the youngest prime minister in Europe, but even that was not enough for him, and he took a shortcut to reach the throne in which all the lads in the underground would envy him: He has been successfully engaged in the smuggling of cigarettes and whiskey from Italy; he is also known as a good grain merchant, although his seductive abilities should not be neglected either, the best-known of them is associated with the painter Vasilisa Radojevic; he drives a Volv[illegible] obtained in a manner known only to him, althou[illegible] also has driven a "Golf" purchased through the [illegible] Demik-Komerc; with his brother, he runs a p[illegible] business with the slogan: "Tito taught us to think big, so now we all have a tractor-trailer rig," located at Slovenksa Plaza in Budva; they say he also has a gas station in Danilovgrad, a house on Podgorica's Dedinje, on Gorica, but he denies everything enumerated here as quick as I can say "razor," he likes to travel, especially to Tatarstan, imperial Vienna, not to mention Italy; he is at present the president of truck drivers of the FRY and as such has even traveled to Greece; he says of everything so far published about him that this is the yellow press and he pays no attention to the newspapers who publish charges against him; so far the fiercest accusations

against him have come from Jezdimir Vasiljevic, better-known to us as Master Jezda, who said that he had been taking "payoffs" from him in the amount of several million marks. These charges made him so sick he had to receive medical treatment.

On Tito's Path

The January putsch brought him once and for all to the surface of political events both in Montenegro and also in the former SFRY. And not only him, but an entire pleiad of "brave lads from January" who replaced the old Montenegrin leadership (Djuranovic, Zarkovic, Milatovic, Orlandic) not because they were "old" and boring, but because they had not implemented the policy of the League of Communists [LC] consistently.

We recall from that period this insight of Milo Djukanovic which his brain produced at the extraordinary meeting of the Central Committee of the Montenegrin LC on 11 January 1989: "From this point of development, if this point can be considered development at all, we can only go forward. There has been no interruption of Tito's revolutionary course, nor any revision of the AVNOJ [Antifascist Council for the Liberation of Yugoslavia] foundations of the system. On the contrary, I think what is actually desired is to continue the red thread of the revolution of Tito and his generation of revolutionaries, which somewhere between the seventies and the present was lost somewhere in the general evolution of society and the League of Communists of Yugoslavia [LCY]." That is what Milo said.

The Demik-Komerc Affair

At age 27, as we have already said, he became the prime minister, moreover the first and youngest in Europe, having graduated only a year before from the School of Economics with an average grade of 6.37 and without a single day of training "plumped down into the prime minister's chair." Svetozar Durugovic, the incumbent who was leaving, knew the man he had trained, although this is not the only place where Milo trained. As a member of the Presidium of the Socialist Youth League of Yugoslavia and a member of the LCY Central Committee, he had received training in the indoctrinated school of Stipe Suvar, and it can be said with confidence that he had become a past master at switching positions, and we feel the consequences of that today. Just because his grade average was 6.37 in the School of Economics at Podgorica University, this still does not mean that he does not deserve a full 10 for fickleness, speed in changing opinions, and a lack of ethics.

The first very serious affair in which the name of Milo Djukanovic is mentioned had to do with the "purchase of automobiles through the private firm Demik-Komerc," registered with the Economic Court in Podgorica on 9 August 1990 to the owner, Mirjana Kaludjerovic. More than 200 unfortunate purchasers of automobiles went even to the highest authorities of the republic in search of justice. The reason why the dust was raised lay in the fact that these individuals had promptly paid the amount required for a particular make of car, but they never got the car. The automobiles were "purchased" through Demik-Komerc by the best-known Montenegrin officials, including Comrades Milo and Momir, the late Hasba Nuhanovic, member of the Montenegrin Presidency, and a number of other less-well-known politicians from the ranks of the League of Communists. The summer of 1991 began with the signing of that "famous" contract leasing Jaz and Buljarica for quite a large amount of money to certain foreign partners. We hope that the amount Milo took for himself from that transaction will not remain a secret long for us mortals, but even that summer his brother, Aco Djukanovic, was leasing several restaurants in Budva and a tractor-trailer rig that shuttles between Slovenksa Plaza and Becici. The rumor mill, being what it is, loves to pass on interesting details from Milo's dolce vita as well as the fact that he likes to be seen and to go out with the painter Vasilisa Radojevic in Budva's night spots in the wee hours. We do not know the final outcome of that duel, but it is known that Milo banged up one car traveling in the wee hours from Budva to Podgorica.

The Tatarstan Affair

Mr. Djukanovic himself confirmed that the pathways of separatism are not foreign to him in the Ninth Meeting of the Montenegrin LC Central Committee on 14 May 1990. Among other things, then Comrade, but now Mr. Djukanovic said or announced Montenegro's independence. Mr. Djukanovic puts it better than the author of these lines: "Montenegro is a state of the Yugoslav federation. We have been consenting and we now consent to limitation of its sovereignty only to the advantage of the federation. Montenegro is a sovereign state in all other options...."

Milo Djukanovic's trip to Tatarstan once again rippled the political waters on the territory of Montenegro. After he came back from his beloved Tatarstan, there was the headline in the regime-controlled newspaper PO(-BJEDA) [POBJEDA means "victory"; BJEDA means "misery"]: "The Deal of the Century," leading above all to construction of an oil pipeline from Tatarstan to Montenegro, which would have brought about the preconditions for Montenegro's separation from Yugoslavia, because it would eliminate the possibility of "dependence on imports" of petroleum from Serbia. The road to Tatarstan had been previously paved by Stanislav "Cano" Koprivica, general director of Monteks in Niksic. Mr. Djukanovic withdrew $6,000 for expenses in going to Tatarstan, but Cano Koprivica paid for the entire package.

The next one of Mr. Djukanovic's series of scandals was again related to the buying and selling of vehicles. When the firm Demik-Komerc went out of business, he sold his Golf for 18,500 German marks [DM], and purchased a new one considerably less expensively through Alema of Niksic. No sooner did one firm go out of business than

another one sprang up like mushrooms after a rain. Whenever he buys something new, Milo expects a scandal. That was again the case this time. The scandal about the purchase of flour through Alema of Niksic led many people to ask why the Montenegrin government hired an organization whose business is selling and servicing automobiles to handle the needs of flour and grain for the commodity reserves of Montenegro, and why that job could not have been done by the Muharem Asovic Mill in Niksic? Strange, is it not? But Branko Abramovic, the old-new minister of agriculture, said on that occasion that the mill was not able to handle this transaction, and Mr. Abramovic is actually the director of that mill. Dr. Stanic, deputy (former) of the People's Party in the Montenegrin Assembly (he is now a federal deputy), interpellated the government, but to this day no one has had the decency to respond: Why was the flour purchased outside the procedure prescribed by law, that is, through bids? As for Mr. Djukanovic, he has not let a single television program pass without saying that Montenegro has no grain, and what is being obtained from Serbia is expensive and it can be found less expensively on the Rotterdam Exchange. Even the sparrows in the trees know that Montenegro has sold grain to Croatia, and when this was "seen through," there followed the ban on the export of food from Serbia, which was entirely proper.

Ministers in the Image of the Prime Minister

It is inevitable that we mention the business of the firm Pars, which is an anachronism for "party service center," which belonged to the LC Central Committee. The director of the SDK [Social Accounting Service] issued an order to his personnel to the effect that auditors and inspectors have no business there and are not to touch its giro account. If the firm Pars was conducting its business properly and without monkey business, then why did Director Ljesar forbid a check of its giro account? But someone should have been sent to the SDK to look at the conduct of their business. Then we would more easily have arrived at the datum: What are all the sources of finances of the Democratic Party of Socialists?

When we know the kind of man Montenegro's prime minister is, then we cannot expect anything better from the ministers. In the vernacular: like peas in a pod. That is how it has always been and will be, at least when it comes to ministers in Djukanovic's cabinet. So let us take as an example Mr. Nebojsa Zekovic, former minister of tourism and trade in the last makeup of the government. Before he reached his ministerial post, he was chief of the Security Center in Herceg Novi. To make matters worse, Mr. Zekovic is recorded in the primary criminal records, and according to Zoran Curcic in a meeting of the personnel of the Herceg Novi Security Center on 11 August 1983: He personally discovered crimes in which Mr. Zekovic was involved. We do not have the space to unravel the story about Zekovic's machinations, but we will add that he "procured" eight Volvo automobiles which are driven officially by Milo and Momo and left one for himself with the license plate HN 11-11. The cars were imported, but no one ever paid a dinar in tax on them, through Vera Kardel, owner of the firm Aristotel Trade, and they were imported for the purposes of the ARI Rental Car Agency at the address No. 16 S. Kovacevic Street in Herceg Novi.

Unless the documentation has been destroyed, we will learn one day how the Hotel Alexander in Slovenksa Plaza in Budva came to be owned by the Automobile and Motorcycle Federation of Yugoslavia [AMSJ] at precisely the time when Mr. Djukanovic was its president. Asked by a newsman how this could have happened, Mr. Djukanovic said that that hotel was built on a "time-sharing" basis and that the AMSJ was one of the purchasers.

But what is one to say about the scandal of smuggling cigarettes and whiskey from Italy, which has had quite a bit written about it so far. I personally have seen for myself the smuggled goods come from Italy into the port of Bar, and the Italians gladly spend time in the Knjazeva Basta Restaurant-Tavern in Bar.

Payoff for Payoff—Tank Trucks

The story about the dealers is already well-known to everyone. There are dealers who work for Dafiment Banka, the SDK, an elite group in the police, and, of course, for Milo. We were told by a dealer in Podgorica that there are some dealers whom the police never arrest, or if they arrest them, they are released the same day, and no foreign currency is taken from them aside from what was agreed.

The most recent charge lodged against Milo Djukanovic by Jezdimir Vasiljevic, that he was blackmailing him and was taking a "payoff" from him in the amount of several million marks, heightened the tension in a hungry population. No one in Montenegro doubts that Milo actually did something like that, but the problem is that the one who is filing the charge, in this case Master Jezda, is no paragon of virtue either.

The first break came between Banka Privatne Privrede [Private Business Bank] and its director, Milorad Micko Vukotic, previously a deputy of the Liberal Alliance of Montenegro in the Podgorica Opstina Assembly, and now a deputy of the same party in the Montenegrin Assembly, and Jezdimir Vasiljevic, director of Jugoskandik. Milorad Vukotic had a brush with the law in early September 1992, when the police caught him red-handed smuggling gasoline in Tuzi, a large village with an Albanian population. When the financial police brought him in, Micko defended himself by saying that he had deputy immunity, but that did not help. The skein began to unravel when petroleum was confiscated at Jugopetrol storage facilities in Bar and Lipica, in Kotor Bay. It was in fact a decision of the Economic Court in Podgorica to place an injunction on disposition of 7,000 tons of gasoline. Since mid-January 1993, the dispute has become more entangled with each passing day instead of coming to an end. The dispute arose over payment of the principal and interest by the branch

office of Jugoskandik, which is Banka Privatne Privrede. In a press conference in Belgrade (14 January 1993), Jezdimir Vasiljevic accused Micko Vukotic of having used the money which the public deposited in Banka Privatne Privrede to finance the election campaign of the Liberal Alliance, that he had purchased apartments and automobiles, and that Vukotic wanted him (Jezda) to collect a "payoff" from a higher level. That was followed by Mr. Vukotic's denial, and they would have exchanged charges and denials indefinitely if Master Jezda had not slipped away to Budapest and publicly accused Milo Djukanovic of having blackmailed him or, in the popular lingo, taken a payoff. In Budapest, he also threatened to put out a contract on Milo Djukanovic, and he also mentioned certain high officials in Serbia, among them Nebojsa Copic, M.A., president of the Socialists in Belgrade.

The Biggest Grandchild of Our Nationalities and Ethnic Minorities

The Micko Vukotic-Jezdimir Vasiljevic-Milo Djukanovic triangle made waves in the already [word indistinct] political atmosphere, if for no other reason than because there finally began to be talk in public about the Montenegrin prime minister's criminal acts. The fierceness of Master Jezda's threat is confirmed by this datum: Security forces have been strengthened in front of the building where Momir Bulatovic lives (temporarily), and the two policemen have now been joined by another 10, guarding "the biggest grandchild of our nationalities and ethnic minorities."

We can only guess where Mr. Djukanovic will hide. Among the possible "atomic shelters," Djukanovic might find one in the house being built for him and Momo on Gorica, still better-known as the Montenegrin Dedinje. Or again, in those 28 apartments being built on Sveti Stefan, on a lot purchased quite legally by Emir Kusturin, and which were taken from him although at one time Emir was a member of the LC Central Committee, in December 1990, as Milo himself confirmed on the program "Open Screen" over Politika Television in August 1990.

Today, Milo is recovering from the shock he suffered after the threats made against him by Jezdimir Vasiljevic in Sremska Kamenica.

The accusations made by Jezdimir Vasiljevic against Milo Dj. would have no effect whatsoever, nor would they be discussed, if Mr. Djukanovic's weak points were not common knowledge: money, power, Mafia tendencies, profligacy.... These sins of Milo Djukanovic are sufficient reason to qualify him for the nickname "Balkan Al Capone." At best, the dispute between Milo and Jezda should end up before an "independent and disinterested judicial system," so that no one ends up in a horizontal position. We can wish Djukanovic good health and a successful harvest of his "payoffs" and grain on the Rotterdam Exchange.

Witnesses From Montenegro in Petroleum Scandal

93BA0803D Belgrade BORBA in Serbo-Croatian 13-14 Mar 93 p 5

[Unattributed article: "The 'Vlajkovic-Mihajlovic' Scandal"]

[Text] Who, in what manner, and to what extent is involved in the petroleum deals and compensation arrangements attributed to Ministers Vlajkovic and Mihajlovic (both of them former ministers)—are questions which the investigation will have its hands full proving in the upcoming proceedings. For the present, it has been announced, although not officially confirmed, that certain federal officials "involved in the Montenegrin connection" will also come before the investigating judge. According to BORBA's unofficial sources, Dafina Trejd also lacks coverage for about a million liters of petroleum which are said to have been the reason why a dozen people from that firm were interrogated. In the district Public Prosecutor's Office in Belgrade, a list of witnesses whom investigating authorities will interrogate in evidentiary proceedings has been announced for Monday.

And so while lists of people whose testimony will affect the results of evidentiary proceedings are being drawn up more or less officially, many names are being circulated. Judging by what the investigation has learned now, responsible officials in the Ministry of Agriculture and numerous owners and middlemen of private firms will be appearing before the investigating judge. Most of these transactions are related to the buying and selling of products from commodity reserves—sugar, flour, oil, and grain.

But as far as petroleum is concerned, the director of Jugodrvo, we have learned unofficially, offered the government of Serbia the sale of petroleum at a price of 1.5 German marks [DM] per liter. Minister Velimir Mihajlovic reacted to that offer with an addition—it was OK, but the price should be increased by 20 pfennigs per liter, and the "extra" paid to him in cash. That money, according to BORBA's sources, was to be used to buy arms for Serbia, as Mihajlovic explained to his associates. The difference in price, our sources say, became a commission for Vlajkovic and Mihajlovic, and it amounted to DM2 million.

We requested a comment from Toma Fila, Sava Vlajkovic's defense counsel. In his interpretation, if anyone in Jugodrvo agreed to increase the price of the petroleum at the request of the minister and to pay that amount (to anyone) "in person"—then there is no question that the manager of Jugodrvo did harm to a socialized firm. He cannot figure as a witness in proceedings for that kind of machination, but can figure exclusively as a defendant or as the perpetrator of a crime, Fila says, disputing the testimony of that witness. He mentions that the testimony would not be valid in proceedings, because from the legal standpoint Mihajlovic in this case figured as the

instigator and the manager of Jugodrvo as the perpetrator of the crime. If the public prosecutor does not file a criminal indictment against the person responsible in Jugodrvo, this will be done by the defense, Fila told us.

Toma Fila, Vlajkovic's defense counsel, we have learned, has sent to the District Court in Belgrade a motion asking for appropriate treatment of his client in the proceedings that have been initiated. Fila, that is, is insisting that Vlajkovic be moved from the prison to the hospital because of his worsened health.

"After visiting her husband, Vlajkovic's wife told me that he is in very poor health, because he is suffering from high blood pressure, and then in the prison there is not even any heat," Toma Fila says. "Back on 10 March, I presented to the court about 20 medical certificates on Vlajkovic's illness. The prison physician also approved the drugs, which were delivered to Vlajkovic, and as his lawyer I asked the investigating judge to order a medical examination for my client, with hospital treatment being ordered on the basis of the findings obtained."

Judging by sources close to the investigating and police authorities, the owners and managers of numerous private firms will soon appear in evidentiary proceedings. Evidentiary proceedings are also supposed to confirm whether balances of cereal grains in Serbia have been reduced to the minimum necessary to the next harvest because of these transactions.

[Box, p 5]

Vlajkovic Reads BORBA

Sava Vlajkovic will be reading BORBA in coming days. We have learned that the lawyers have suggested to Vlajkovic that during his stay in prison during investigation he subscribe to BORBA so that he could keep up to date about the most recent events.